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# Support for Peaceful Democratization in Indonesia (SPD)

## Semi-Annual Report – 1 February to 31 July 2005

August 2005

This publication was produced for review by the United States Agency for International Development. It was prepared by Development Alternatives, Inc.

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USAID Contract No. DOT-I-03-800-00004-00

Task Order No. 800, Under the SWIFT II IQC

USAID Contractor: Development Alternatives, Inc. (DAI)

### **DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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## **1. Introduction**

Indonesia has experienced tremendous political, economic and social change since the end of authoritarian rule in 1998. The country now enjoys one of Asia's most pluralist and critical media, and has held internationally accepted general elections in 1999 and 2004. The transition from authoritarianism to democracy has not been free of serious complications and setbacks, however. One of the most disturbing effects of the breakdown of repressive state control has been the eruption of communal and separatist violence in many areas of the archipelago. Bottled-up and nurtured by decades of authoritarian rule, tensions between religious, ethnic and other social groups have come to the surface and plagued Indonesia since 1998.

The USAID Support for Peaceful Democratization Program (SPD) is a two-year program implemented by Development Alternatives, Inc. (DAI) under the Support Which Implements Fast Transition II (SWIFT II) IQC. This program assists local organizations in their work to address violent conflict across Indonesia. While a range of conflicts affect every society, SPD aims to address violent conflicts between groups with incompatible interests regarding the distribution of resources, control of power and participation in political decision making, identity, status, or values. SPD support is rapid and flexible, addressing urgent needs and overarching causes of conflict.

## **2. Aceh Earthquake and Tsunami Disaster Response**

### **2.1. Assistance to USG Initiatives and SPD Emergency Response Grants**

The December 26, 2004 earthquake and tsunami waves devastated much of the coastline populations and infrastructure of Aceh and North Sumatra Provinces. USAID played an important role in developing and funding short-term relief and recovery initiatives, and in facilitating Acehnese civil society responses to the disaster.

As the international response gathered pace, SPD focused on assisting NGOs with strong operational capacity to target, distribute and monitor the use of USAID-funded relief supplies. The immediate aim was to fund short- to near-term responses, and to broaden the base of NGOs working with USAID to alleviate the suffering resulting from this disaster. Through the reporting period, SPD supported emergency response initiatives in 3 broad thematic areas:

- General support to Embassy and Mission-wide initiatives in Aceh Province;
- Short-term employment activities—"cash-for-work"—which aimed to clear debris, and open market and transportation facilities; and
- Equipment and operational support to GoI agencies and local NGOs to re-establish their ability to deliver essential services to tsunami-affected communities.

Embassy/Mission Initiatives. SPD provided logistical and procurement services to Embassy/Mission response initiatives in Jakarta, Medan and Aceh. Project funds were used to purchase communications equipment, including satellite phones—some sent to Banda Aceh on the day after the earthquake and used by local partners to provide early reports on the situation in Aceh.

SPD provided loading equipment, transport vehicles, and fuel to move humanitarian supplies from Jakarta to Aceh. In Medan, SPD quickly sourced and delivered field vehicles to the DART operation center in Aceh, along with freezers for storage and distribution of medical supplies. SPD also located and signed a lease for a guest house used by USG staff as eating and sleeping quarters, and a place to conduct meetings and accomplish work-related tasks.

**Aceh Guest House Occupancy  
January 8 to May 15, 2005**

- 1,537 total person-nights
- Average 12 persons per night
- Maximum occupancy 33 persons (February 18)
- More than 100 different people spent at least one night in the guest house

Short-term Employment Activities. In the first three months following the disaster, SPD focused much of its resources on supporting short-term employment (cash-for-work) initiatives. These activities helped return targeted areas to a more normal state, reduced the hazard of secondary disease and illness, and generated quick cash income for thousands of people. This accelerated the recovery process, reduced frustration, and instilled in affected populations a sense that progress was being made to restore their lives and communities.

A total of 30 grants valued at more than \$3.5 million were awarded to local and international partners that focused solely on cash-for-work rehabilitation of social and economic infrastructure (e.g., schools, markets); 62 percent of these funds went directly to persons affected by the disaster. Workers engaged in these activities were paid an average \$3.65 per day, or about \$85 per month, for their labor. While international partners received the majority of cash-for-work program funding, they also contributed large amounts of their own internal funds to these activities—more than \$1.3 million, to cover operations expenses. Sixty-nine percent of USAID funding to international organizations went directly to displaced persons employed by these programs (the Appendix presents complete data on these initiatives).

**USAID Social and Economic Infrastructure Rehabilitation Short-term Employment Grants  
Beneficiaries and Outputs**

	Grant Awards	Total Value	Beneficiaries (workers)	Total Beneficiaries (3 persons/worker)	Person-days Labor	Total Cash to Workers
International Partners	11	\$2,362,443	16,363	49,089	412,510	\$1,529,614
Local Partners	19	\$1,119,590	17,647	52,941	112,802	\$387,986
Total	30	\$3,482,033	34,010	102,030	525,312	\$1,917,600

Equipment and Operational Support. In addition to supporting the rehabilitation of damaged infrastructure and the cleaning of villages, SPD also provided significant equipment and operational assistance to GoI agencies and local NGOs involved in relief and recovery initiatives. Eight grants, valued at over \$325,000, were awarded in support of local response efforts:

- SATKORLAK for operational support and disaster response training for 50 persons (using FEMA disaster response methodology);
- *Suara Perempuan* for construction of a radio station, staff training and distribution of 10,000 AM/FM radios to displaced persons;
- Aceh Recovery Forum to facilitate provision of information to persons living in camps;

- MISPI to conduct a comprehensive survey of local CSOs and produce a directory (with accompanying CD-ROMs and color maps) to improve the overall relief effort;
- MISPI to conduct a survey and assessment of the needs of women, and provide support to them for livelihoods recovery activities;
- YPHAM to monitor OFDA-funded short-term employment initiatives.

As immediate relief activities moved to completion, USAID began to address mid-term recovery needs. Assistance was provided to provincial government offices and facilities directly affected by the disaster to help reestablish essential services to affected communities. SPD funded 16 initiatives valued at \$782,000 that provided equipment used by more than 3,000 government employees. Grant funding was used to purchase furniture and office equipment for key government departments and municipality offices, including the Social Department, BAPPEDA (Regional Planning Board), the Department of Industry and Trade, the Department of Cities and Villages, the Department of Health, the Department of Education and the National Land Agency. This work was designed and implemented in cooperation with other USAID SO teams, which focused on developing human resource capacity in these same government agencies.

**Equipment Support Provided to GoI Departments in Aceh**

- 179 desktop and 55 laptop computers
- 62 laser printers
- 13 In-focus projectors
- 8 digital cameras
- 1 plotter

## 2.2. Community-Based Recovery Initiative

Beginning in March, SPD began to work directly with disaster-affected communities on long-term recovery through the Community-Based Recovery Initiative (CBR). This initiative focuses on strengthening civil society at the village level through efforts to rehabilitate and rebuild communities affected by the tsunami. The strategy comprises three key elements: ensuring community participation in all aspects of the recovery process; encouraging partnership between communities and local government in this endeavor; and achieving measurable livelihood improvement.

CBR aims to empower civil society by building their capacity and capability to determine, plan, implement and manage the rehabilitation of their communities effectively and efficiently. Recognizing the environment in Aceh, and the SPD Program mandate to develop sustainable capacity for building peace and resolving conflict, CBR seeks to ensure that its initiatives do “double duty”—that is, empower civil society through recovery initiatives that lead to measurable improvement in target communities and build foundations for the peaceful resolution of disputes.

The major results (planned outputs) of the program include:

- Substantial and sustainable improvement in livelihoods in target communities;
- Good governance practiced and nurtured in target communities; and
- A process for integrated, community-driven recovery and development that can be adopted and adapted in other areas of Aceh.

Fifty-six communities—having a total population of more than 31,000 persons (about 8 percent of the estimated total affected-population)—participate in this initiative.

### 2.2.1. CBR Entry Grants

The first grants provided to CBR communities were entitled “Entry Grants”. The aim of these grants was to jump-start village recovery activities and, in doing so, draw people back to their communities. By encouraging people to return to their villages, broader discussions on short-term recovery activities could take place.

USAID has awarded 51 Entry Grants valued at more than \$1.5 million to CBR communities. These grants support short-term employment generation, mainly using cash-for-work methods to clean villages, remove debris from rice fields and irrigation canals, and construct community meeting and activity centers.

Nearly 200,000 person-days of labor were created and nearly \$728,000 paid to workers through these initiatives. An important output was the clearing of an estimated 1,400 ha of rice land, fields that can be planted in the coming weeks. The rice crop harvested from this area—an estimated 5,800 tons valued at more than \$1.3 million—will enable thousands of people to move from dependency on relief supplies of rice to self reliance.

**Figure 1. CBR Initiative  
Participating Community Locations**



While Entry Grant activities provided income and employment opportunities, they also built hope for a better future and provided a foundation for subsequent activities in these and other communities.

At the end of the reporting period, SPD held meetings with about half of all CBR communities to gather information regarding the perceptions of beneficiaries concerning Entry Grant outputs and impact.

More than half of the communities interviewed expressed great appreciation for the temporary employment generated and infrastructure rehabilitated through the grants (e.g., village land, rice fields, irrigation canals). They also stated that the employment opportunities encouraged people to return to their villages, preparing a foundation for re-establishing community cohesion. About half of the communities interviewed indicated that engaging and taking a lead role in their own recovery process was a positive output in itself; it reduced stress, built hope for a better future, and promoted healthier living.

Interviews with communities revealed that a high level of voluntary personal and community contribution was correlated with high participant satisfaction with CBR activities. For example, in Suleue Village, where 84% of the labor was provided by the community on a voluntary basis (i.e., USAID funds were not used to pay workers), 95% of those interviewed felt very happy about Entry Grant implementation and outputs.

Communities interviewed also reported some negative aspects of the Entry Grants. Some communities were not satisfied with the way workers were selected; the limited cash available vis-à-vis the number of able and willing workers; and the possibility of undermining the traditional custom of *gotong royong* (people working together in mutual cooperation). CBR will take these important factors into consideration as subsequent grants are designed and awarded under this initiative.

#### CBR Entry Grant Outputs

- 8,639 workers employed (29% female)
- 197,254 person-days of labor generated (35% women)
- Nearly \$728,000 total cash to workers
- 19.8 kms of irrigation canal cleared
- 25.4 kms of drainage ditch cleared
- 14 Community Centers constructed
- 4 recreation facilities built
- 8.4 kms of fence built
- 60 tubewell systems built/upgraded
- Approximately 1,000 ha of village area cleared
- Approximately 2,900 ha of agriculture land cleared

### 2.2.2. The CBR Training Program

Achieving substantial and sustainable recovery depends largely on the governing skills of community leaders—their willingness to lead people, manage community resources, and work with government officials and donor agencies. CBR empowers village leaders and CSO managers of 56 newly formed village-based organizations by building their capacity and capability to determine, plan, implement and manage the rehabilitation of their communities. It aims to strengthen the capacity of local leaders by improving their skills in participatory planning and monitoring; communication and facilitation; needs assessment; and conflict management and resolution. In order to provide quality training to local communities, DAI identified and engaged the services of committed Acehnese facilitators.

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*“He referred to the program as like a car and passengers, where in this case, the residents served as the cars and the drivers, while the USAID were the passengers. The USAID listens to our wishes.”*

Burhanuddin (Village Leader) Lamteungoh  
(Jakarta Post, 26 April 2005)

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Field staff training. For training to be effective and achieve optimal impact, trainers must be highly skilled, understand the environment in which they work and show proper respect for their trainees—village leaders and CSO managers. DAI staff from Aceh and Jakarta provided training to five Field Coordinators and twenty-three Community Facilitators on a wide range of

topics, including: communication and facilitation skills; conflict resolution; team building; training of trainers; USAID grant policies and regulations; and, DAI grant development and management systems and practices.

In May 2005, after initial skills training, a 5-day training course was conducted at the University of Syiah Kuala in Banda Aceh to improve facilitator skills in strengthening local governance and promoting quick and sustainable recovery in affected communities. During the training, facilitators learned of several key roles and responsibilities of community leaders: provide clear direction, motivate and empower, and resolve conflicts. Special emphasis was placed on the importance of participation, fairness and accountability in achieving sustainable development.



After completing the first cycle of training, Facilitators, under guidance from DAI, began preparations for community-level training events. During this process, Facilitators gained deeper understanding of the subject matter, developed greater confidence in their training capabilities and produced training materials that could be used immediately at the village level.

Community leader training. In late July, village leaders (*Gencik*) and female leaders from each of the 56 participating communities attended a four-day training event that focused on personal empowerment and essential leadership qualities: integrity, confidence, willingness to engage,

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*“We can only say ‘thank you’ to USAID and Pemuda Muhammadiyah for supporting these very useful programs.” Saidi, Lhoong District (Waspada, 15 April 2005)*

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benefits of taking necessary risks, accepting

responsibility and perseverance in the face of adversity. The primary aim of the training was to focus participants’ attention on these key leadership attributes and underscore the importance they play as the foundation for all CBR leadership and management training activities.

### **2.2.3. Allocating Funds Across Communities**

The tsunami destroyed most—and in many cases all—community and family assets, leaving affected villages with few resources with which to start rebuilding. Management of the recovery process, particularly of the large amount of donor funding pouring into affected communities, including that from USAID, requires very strong leadership if tensions and jealousies are to be avoided. Strong leadership and good governance at the village level can also help ensure that funds are used efficiently and in a transparent and clearly accountable fashion.

At the outset of the CBR Initiative, DAI decided not to inform participating villages of potential USAID funding levels in order to ensure that discussion of budgets and funding did not drive the process of needs identification and prioritization. Instead, CBR Facilitators focused on helping communities design Entry Grants to jump-start village recovery activities. Funding levels for Entry Grants were largely determined by immediate needs and opportunities in each village.

As implementation of Entry Grants proceeded, USAID and DAI held discussions on funding levels for the CBR program, with a focus on balancing potential requirements in 56 communities and available USAID funds. DAI used preliminary funding estimates as a starting point for internal discussions on fund allocations. At the same time, DAI held numerous discussions on how to ensure equity across all villages. Equity was defined as a function not only of USAID funding, but also of the activities and funding inputs of other donors.

In June and July, DAI gathered information from participating villages on a variety of issues, including the status of livelihoods prior to the disaster. At the same time, community priorities and the plans and potential interventions of other donors became clearer. As DAI gained greater understanding of the resources, opportunities and challenges facing each community, USAID funding support for CBR also became clearer. From an initial (March) target of \$1,000 per family in each participating village, discussion moved to a target range of \$500-750 per family plus one large infrastructure project per village “cluster” (grouping of 3-4 villages).

Even as first-draft village plans were formulated, CBR remained careful not to have funding levels drive planning and priority validation discussions in villages. Despite not having final plans or village

budgets, and to maintain momentum in the recovery effort, second grants will be developed in each village. As these grant proposal budgets are finalized, DAI plans to make final village-level allocations and bring financial considerations into the village planning process. This will help ensure that village leaders consider carefully what other donors might offer and what communities can do for themselves using their own or USAID resources.

DAI will determine village-level funding allocations using a multi-step process involving a number of staff members closely involved with the CBR Initiative. The process will comprise the following steps:

1. Revisit discussion of factors that define “equitable” distribution: village population and needs; donor activity; and, previous USAID allocations.
2. Rank CBR villages by amount of USAID funding required, using the equity factors, to provide a starting point for allocating funds to be used through the end of 2005 to February 2006.
3. Establish maximum and minimum remaining fund amounts to ensure that every village can implement at least one additional initiative to address priorities unmet by other donors.
4. Review the rank of each village, confirm its position relative to other villages, and determine a “first-cut allocation” of funds for each village.
5. Review all allocations, make adjustments, agree that distribution meet stated criteria, and send results to DAI/Jakarta for final review.

CBR Coordinators and Facilitators will present final USAID fund allocations to each village for use in planning and priority-setting discussions. Importantly, the process presented above will not result in the allocation of all USAID CBR funds. DAI intends to set aside more than \$1 million as an “opportunity fund” that can be used to address unmet needs and new opportunities in 2006. CBR will include village leaders, and perhaps *kemukiman* or *kecamatan* level leaders, in the discussion of how these funds might be allocated.

CBR has taken strong first steps towards nurturing substantial, sustainable livelihoods recovery and improvement for 56 tsunami-affected communities in Aceh. In the near-term, the program ensures that USAID, GoI and other donor support are managed by communities for communities. In the longer-term, and through the comprehensive approach adopted by DAI, villages will be better able to determine their future and work constructively with local and provincial government to ensure peaceful and democratic development.

#### **Visitors to SPD Initiatives in Aceh**

##### **April**

Robert Zoellick, Deputy Secretary of State  
William Frej, Mission Director, USAID  
Indonesia  
Jon D. Lindborg, Assistant Mission Director,  
USAID Indonesia  
Betina Moreira, Press and Outreach, USAID  
Indonesia (with local press representatives)

##### **June**

Barney Popkin, USAID Contractor,  
Environmental Impact Assessment  
Theresa Tuano, Natural Resources Officer,  
USAID Indonesia  
Bill McKinney, USG Representative to Aceh and  
Northern Sumatra, USAID

##### **July**

Mark Ward, Deputy Assistant Administrator,  
USAID  
William Frej, Mission Director, USAID  
Indonesia  
Roberta Cavitt, Indonesia Desk Officer, USAID  
Washington

### 3. GoI Off-Budget Aid Tracking System (GOBATS)

In February USAID decided to help build GoI capacity to track off-budget donor and NGO reconstruction activities in Aceh and North Sumatera. This was done by providing BAPPENAS with a user-friendly data management system that would enhance accountability and transparency of use of reconstruction funding. USAID turned to DAI to accomplish this task.

The GoI Off-Budget Aid Tracking System (GOBATS) was a collaborative effort between the World Bank, UNDP, BAPPENAS, and USAID to create an officially recognized database and web site for tracking donor and NGO reconstruction activities. DAI's objective was to create the off-budget component of the E-Aceh website and underlying data processing system (the World Bank was to complete on-budget components). DAI specialists built the database, data entry screens, reporting screens and data interface to the E-Aceh system for all off-budget projects, activities, expenditures, contracts, and impact data.

Deliverables under this initiative included:

- An off-budget database, applications and interfaces necessary to capture content and data entry;
- The interface to the E-Aceh system in accordance with World Bank requirements;
- Data collection methodology and recommendations on staff requirements;
- Deliver the system to BAPPENAS and ensure they are prepared to support the database and applications; and
- A proposed GIS approach.

After designing the system, DAI entered all SPD and ESP relief and reconstruction data into GOBATS, and began work with USAID to enter data on other USAID-funded activities. On 12 April, DAI installed the database and applications in BAPPENAS, and began testing the system with the support of DAI staff in Vietnam, Japan, Iraq, Afghanistan, and in the U.S.A. At the same time, DAI completed technical training for BAPPENAS programmers on system support, reports, and links to the website; and training for content managers on data entry and system functionality.

DAI installed, tested and delivered GOBATS in BAPPENAS as planned on Wednesday 13 April. DAI-SPD presented the system to a large group of partners and stakeholders on Friday 15 April. Persons attending the presentation included: Jon Linborg (Deputy Mission Director), Larry Meserve, Jim Lehman, John Packer, and Danumurthi Mahendra from USAID; Ruth Hall from the U.S. Embassy; representatives from AusAid, UNDP, and The World Bank; Pak Sujana, the Chairman of the Aceh Reconstruction Secretariat; representatives from the GOI and BAPPENAS; and representatives from McKinsey & Company.

As DAI completed assigned tasks, a critical issue outside of DAI's scope of work required attention—how to collect and enter data into the system. DAI and USAID discussed a variety of options, included having donors enter their own data into GOBATS, and manual surveying by BAPPENAS. These and other methods have significant implications for data quality and system access controls. As DAI ended its involvement in this initiative, USAID was considering options and methods for supporting content management and capacity building within BAPPENAS for GOI off-budget donor activities.

(For more information on this initiative, please refer to the report: “Technical Assistance to BAPPENAS: Development of the GOI Off-Budget Aid Tracking System (GOBATS)”, 22 April 2005.)

#### **4. Civilian Military Relations**

Armed forces reform remains a crucial precondition for improving Indonesia’s conflict prevention and resolution capacities. Communal violence since Suharto’s fall in 1998 shows that the military is able to contain or fuel tensions between conflicting parties, making its professionalism an important factor in the stability of conflict-prone areas. SPD has thus focused on promoting structural and behavioral change in the armed forces as an integral part of its strategy to address the causes and consequences of conflict in Indonesia.

Building on the achievements of its successor programs, SPD engaged in three major areas of reform: first, the creation of new legislation aimed at subordinating the armed forces firmly under democratic mechanisms of civilian control; second, increasing transparency in military financing; and, third, capacity-building efforts to empower civilian officials to exercise better oversight over the armed forces.

Legislation. SPD took advantage of the appointment of the respected academic, Juwono Sudarsono, as Minister of Defense under President Susilo Bambang Yudhoyono. Immediately after taking office in October 2004, Juwono launched new initiatives to reform the armed forces. Dissatisfied with the existing legal instruments of his Department to effectively control the military, Juwono set out to draft new legislation that would place the armed forces firmly under the Ministry of Defense. Previous efforts to strengthen the Department of Defense vis-à-vis the Armed Forces had achieved nominal success but had not led to the clear subordination of military headquarters.

In this context, SPD supported the civil society organization *Propatria* to submit its suggestions for new defense-related legislation to Juwono’s Department. *Propatria*’s Working Group on Security Sector Reform consists of prominent academics with expertise in security and defense, and has successfully promoted legislative initiatives in the past. Under the most recent SPD grant, the group produced a draft for a new law on defense and security that would not only subordinate the armed forces under the Department of Defense, but also improve the cooperation between the police and the military in resolving communal violence. At the end of the reporting period, the Department had endorsed most of *Propatria*’s inputs and was preparing for the next round of deliberations, which will involve other government ministries and agencies that have a stake in the control of the security sector.

Military Financing. Indonesia’s military has been chronically under-funded, forcing its officers to raise funds on their own in order to cover operational expenses and supplement meager salaries. In conflict areas, this has often led to problems with military commanders and soldiers exploiting communal tensions for rent-seeking purposes and engaging in various aspects of lucrative conflict economies. Juwono has pledged to better regulate the economic activities of military businesses and foundations, registering and ultimately placing them under the control of the state. SPD has supported the Indonesian Institute to set up a working group that will assist in the transfer of military businesses to the government by providing advice on the political, economic and legal implications of Juwono’s plans. At this point, the group has begun to work on an inventory of military businesses and a proposed presidential decree that would arrange their transfer to civilian government agencies.

Capacity Building. SPD supported initiatives to build the capacity of civilian officials charged with overseeing the security sector, including parliamentary staffers and civilian officials at the Department of Defense. *Propatria* is currently preparing a training module for several events that will develop the skills of these officials in defense management, drafting and implementing legislation, and strategic planning. The empowerment of civilians in the defense sector is one crucial element in establishing democratic control over the armed forces and increasing the ability of the military to professionally and impartially intervene in future conflicts.

## **5. Local Elections**

### **5.1. Background and Strategy**

Abrupt changes in local power constellations have often led to violent reactions from groups or individuals who felt disadvantaged by the new distribution of authority. In Poso, Central Sulawesi, for example, it was the election of a new district head in 1999 that triggered widespread communal violence, and the deaths of up to 2,500 people. Also in 1999, in Maluku, Christians saw the appointment of a Muslim to a key bureaucratic position as a violation of a previous, informal power-sharing arrangement, fueling tensions that ultimately erupted in bloody clashes. The region was paralyzed for more than three years and up to 10,000 people died.

As part of a larger strategy to prevent such outbreaks of dissatisfaction and potential violence, the government decided in 2004 that governors, district heads and mayors were to be elected directly by the people, not by local legislatures as under previous regulations. The first wave of these local polls was held in June 2005, involving all areas in which the term of the incumbent had expired between 2004 and June 2005. In all other areas local elections will be held when the term of the current office holder expires. By late July 2005, around 150 local elections had been conducted throughout Indonesia.

Recognizing the potential for localized conflict as a result of the polls, SPD moved to closely observe the elections and intervene when circumstances required. This was particularly relevant in areas where violent conflicts had taken place before, or where the religious and ethnic composition of the population indicated that election-related tensions were likely to occur. In Poso, where elections were held in June 2005, SPD decided to mobilize resources to support the implementation of a professional, free and fair ballot (see section 4.2 for further details). In Papua and Aceh, SPD will continue to play a role in supporting peaceful democratic elections expected to take place in October 2005 and April 2006 respectively. In Aceh, the local polls are part of the peace agreement that the government signed with the separatist movement GAM in Helsinki on August 15, 2005.

SPD did not only monitor the elections in territories that have traditionally witnessed high levels of violence, however. It also observed and evaluated the polls in areas in which certain demographic or historic factors suggested that conflicts might emerge as a consequence of local elections. In this context, SPD developed a sophisticated database that identifies districts or provinces with religious, ethnic or social indicators that make the occurrence of communal tensions more likely than in other regions. The database helped SPD to select target areas and schedule field visits. Based on SPD's criteria, teams were sent to South and Central Kalimantan, Surabaya, North, West and South Sulawesi, as well as Irian Jaya Barat and Papua. The reports resulting from these visits were widely distributed within the USAID Mission and the US Embassy in Jakarta (see appendix).

Through field assessments, SPD gathered first-hand information on the level of election-related conflict across Indonesia and prepared for possible interventions in the future. While in most visited areas violence was limited to noisy protests by losing candidates and hired paid supporters, the elections in Central Kalimantan, West and South Sulawesi, Irian Jaya Barat and Papua have created new potential for social tensions. In Central Kalimantan, a Christian was elected in a province with a majority Muslim population. In parts of South Sulawesi, some losing candidates have pledged to create new districts as a consequence of their defeat, leading to new discussions on the establishment of administrative units based on ethnic and/or religious identities. In West Sulawesi, a long-standing border dispute is likely to be a major issue in the polls scheduled for the end of 2005 or early 2006. In all these cases, SPD continues to closely observe developments on the ground in order to detect early indications of rising communal tensions.

**Figure 2. Field Assessment Locations**



## 5.2. Field Assessments

The direct local elections in Indonesia in 2005 have been highly diverse, with regions showing different electoral patterns, coalitions, campaign issues and societal attitudes. Despite this heterogeneity, however, it is possible to draw some preliminary conclusions about the conduct and political impact of the polls, particularly as to their role in fueling social tensions.

Perhaps most significantly, as of August 2005, the local elections have not led to communal violence in any of the 150 areas in which the ballots were counted. Protests have been largely limited to campaign teams of the various candidates in the elections. Supporters of losing candidates have destroyed government facilities in several districts, most prominently in Kaur, Bengkulu, where the office of the district head was ransacked. In Gowa, South Sulawesi, demonstrators laid siege to the offices of the local elections commission (KPU) and blocked the roads to the provincial capital Makassar for several days. In Tana Toraja, also in South Sulawesi, violent protests over the election

results persisted for several weeks. In none of these cases, however, did the isolated protests lead to protracted communal violence.

There are numerous reasons for this. To begin with, candidates have mostly opted to run inclusive election campaigns, shying away from sectarian platforms that could reduce their appeal with the electorate. In areas with heterogeneous religious and ethnic compositions, candidates typically sought to link up with partners from a different religion or ethnicity in order to attract more votes. Consequently, campaign strategies that highlighted exclusivist sentiments were widely seen as counterproductive. In Poso, for instance, each of the five tickets running for the positions of Regent and Deputy Regent featured a combination of Christian and Muslim candidates. The same could be observed in several districts in North Sumatra, where the percentage of Christian and Muslim voters was almost even. In none of these districts did exclusively Muslim candidates confront exclusively Christian candidates, thus the question of religion as a contentious issue in the polls was neutralized.

In some cases, voters have punished candidates who tried to rally their core constituencies around sectarian sentiments. In Central Kalimantan, the Dayak leader Professor Usop, who had lost narrowly in the gubernatorial elections of 2000 and subsequently became involved in the massacres of Madurese migrants in 2001, finished last with only 4 percent of the votes. In North Sulawesi, incumbent governor A.J. Sondakh tried to exploit his status as a leader of the largest church in the province in order to make up for his lack of popularity among the electorate. He did not succeed, however, and was removed from office by a large margin, coming in a disappointing third place.

The absence of communal tensions was not only a reflection of the increased maturity of the candidates and their voters, however. It also indicated that most candidates did not have strong roots in their respective communities, leaving the latter indifferent towards the victory or defeat of the various nominees. Most candidates were career bureaucrats, businessmen, retired security officers or party functionaries who had the financial resources to fund their own campaigns. The enormous costs associated with running in the polls effectively excluded most civil society leaders, community figures and religious authorities from the candidate pool. Consequently, the only constituencies that reacted strongly to the triumph or loss of certain candidates were those who were financially dependent on them. In Depok, for example, most voters did not show much interest when a court overturned the election results and controversially handed victory to the second-place candidate.

Despite the relatively peaceful conduct of the direct elections, further monitoring of potential conflicts remains a necessity in several regions. In some areas, observers had prematurely declared that the polls had not led to any significant problems, only to be surprised by eruptions of protests when the official results were announced. Equally, there is considerable potential for tensions in the post-election period. Key posts in the bureaucracy will be distributed among the supporters of winning candidates, and ethnic and religious constituencies will closely monitor their share of political posts. In several territories, new office holders will face intense scrutiny by influential and perhaps hostile constituencies. In Belitung Timur, for example, a Chinese Christian was elected as district head, shocking conservative Muslim leaders. In Belitung, like in other regions with similar constellations, only the coming months and probably years will show if the elections have created the political stability that they had set out to achieve.

### 5.3. Central Sulawesi

Central Sulawesi has enjoyed relative calm over the last two years. The May 28 bomb blasts in the central market of Tentena and two bomb scares in Poso (June 28 and 29) prior to the local elections, failed to incite inter-communal conflict. The fact that violence did not erupt during the campaign period, and that *Bupati* elections were administered smoothly regardless of institutional weaknesses at the KPU and *Panwasda* levels, is a reflection of communal interest in maintaining peace.

In Poso, however, accusations of money politics and fraudulent campaign practices on the part of the Piet Ingkiriwang-Abdul Muhtalib pairing resulted in several days of protests by losing candidates and their supporters. In Tojo Una Una, unsuccessful candidates asked KPU and *Panwasda* to investigate charges of fraud by the winning candidates Damzik Ladjalani-Ridwan Dj Saru. In both districts, *Panwasda* and KPU collected campaign finance materials from the candidates and have investigated charges of misconduct. This raised tensions in the area, but fortunately violence did not breakout. USAID partners in these areas continue to monitor the situation.

SPD initiatives in the region aimed to increase the capacity of local government to administer local elections, and to support communal participation in the electoral process through education and awareness campaigns. Providing logistical support to local KPU and *Panwasda* offices encouraged responsible electoral services and timely distribution of necessary equipment. It also encouraged an environment conducive to free and fair elections.

USAID awarded nine grants valued at over \$150,000 to local CSOs and election administration agencies in Tojo Una Una, Poso and Toli Toli Districts of Central Sulawesi. Grantees conducted voter education and peace campaigns, and facilitated dialogue between candidates and local citizenry. The extensive networks of SPD Grantees supported the establishment of information centers to provide assistance to communities regarding campaigning, voting and vote counting.

In Tojo Una Una, Radio Maleo, an independent radio outlet based in Ampana City, worked with KPU, *Panwasda*, candidates and observer groups to organize political talk shows and dialogues. In order to enhance the station's range of broadcasting, professionalism and listening audience, SPD provided multi-media build-up computers, a tape recorder, and other basic office equipment.

SPD also funded initiatives to build political awareness and empower women voters. KPPA, a women's and children's rights organization, conducted a woman voter education campaign in three sub-districts. Through discussions in fifteen villages ("Political Education of Women Voters") prior to and after the elections, KPPA encouraged women to get involved in the political process and brought gender-specific issues to the table. KPPA also fielded a small number of unofficial election observers, and conducted a "Fair, Clean and Democratic" campaign through talk radio and interactive TVRI shows.

SPD also provided critical logistical and technical support to government agencies responsible for overseeing the elections. *Panwas* and KPUD offices in two of the three districts received SSB radios, walkie-talkies, vehicles, motorcycles, and basic office equipment. This assistance enabled KPU to distribute ballots, ballot boxes and other electoral equipment to sub-district and village election officials in a timely manner, thereby limiting delays in the electoral process.



## **6. Administration**

### **6.1. Staffing**

In early January 2005, DAI opened an office in Banda Aceh to facilitate relief and recovery initiatives in Aceh Province (the former office in the Kuala Tripa Hotel was destroyed in the earthquake). DAI hired 7 persons to attend to office and grant implementation tasks: two Grants Accountants, two Procurement Officers, an MIS Assistant, a Project Accountant, and an Office Manager. Another three persons were hired to assist with the CBR Initiative: Field Coordinators, responsible for supervising Community Facilitators and developing community-based recovery initiatives and associated grant proposals.

DAI also hired one MIS Assistant, based in Jakarta, to help maintaining program information systems, including the program grants database.

In February, DAI hired Mr. Chris Lee to assist in the development of community-based recovery and peace-building strategies and approaches. He also leads the design and implementation of personal empowerment and leadership development activities within the context of SPD community-based recovery and peace-building initiatives (with particular focus on the CBR Initiative). DAI has hired Mr. Lee on a part-time basis (STTA).

In June, Ms. Sharon Zhao joined SPD as the Regional Office Manager, based in Banda Aceh. Ms. Zhao is the DAI-SPD representative in Aceh and is responsible for all aspects of managing Aceh Province field offices. As representative, she serves as the liaison between DAI-SPD and other organizations in Aceh and facilitates the work of USG staff members as appropriate and within USAID and DAI policies and procedures. Ms. Zhao supervises the Aceh-based office manager, project accountant and office support staff.

At the end of the reporting period, DAI employed 12 persons full-time and one STTA advisor in Aceh. These staff members provide DAI with strong capacity to respond to the needs of tsunami-affected communities, and a solid base from which DAI might expand program initiatives to conflict-affected communities should the opportunity arise.

### **6.2. Aceh Office and Guest House**

As noted in Section 2.1, in January SPD signed a lease for a guest house to be used primarily by USG staff as eating and sleeping quarters, and a place to conduct meetings and accomplish work-related tasks. DAI-SPD staff members also slept in and worked out of this house.

In February, DAI moved into a second house, next door to the first house leased in January. This house is used solely as a guest house, for expatriate LTTA staff members and all persons on STTA and TDY. The first house is used as an office and meeting space for DAI-SPD. In May, the USG opened its own guest house for use by USG staff members deployed to Aceh. After this time, USG personnel no longer resided in or worked out of DAI leased houses, leaving SPD with ample work and residence space for staff members based in Aceh.

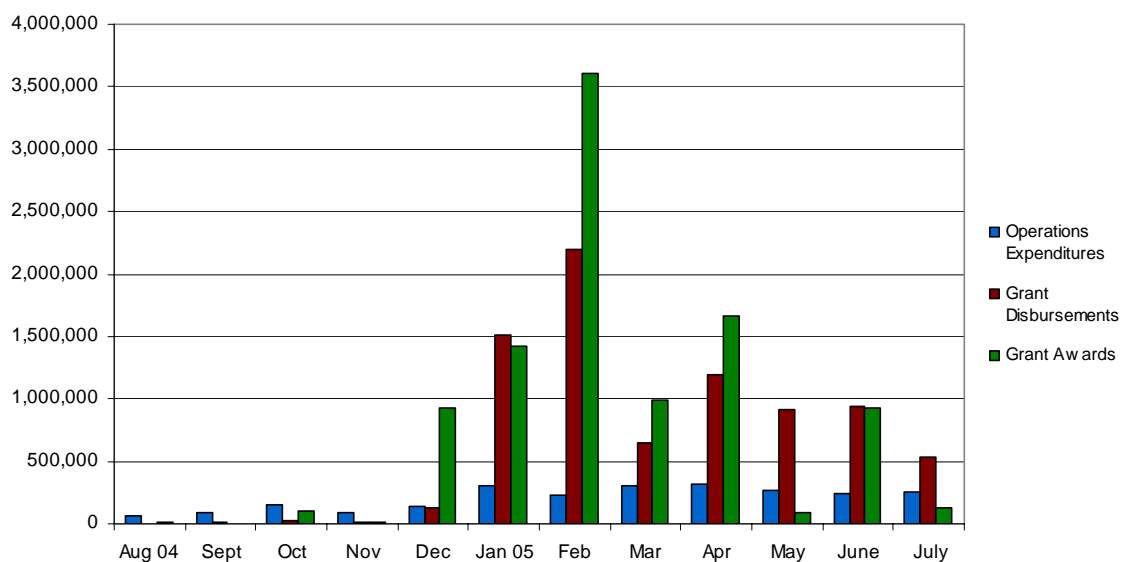
## **7. Finances**

The total SPD contract budget is \$18,792,056. Of this, \$15 million is for program activities (grant awards) and the remainder for operations costs and fees. During the reporting period, DAI awarded \$7.4 million in grants to local and international partners, bringing the total value of all SPD grant

awards to \$9.88 million. At the end of this reporting period, DAI had disbursed more than \$8.11 million in support of grant-funded initiatives. To date, DAI has incurred more than \$2.47 million in operations costs related to program implementation. During the reporting period, average monthly grant awards were \$1.23 million, grant disbursements \$1.01 million and operations costs \$247,000.

SPD has been successful in encouraging grantees and other donors to contribute their own resources in support of USAID-funded activities. Since the beginning of SPD, grantees have contributed more than \$1.54 million and other international donors more than \$239,000 in support of these initiatives—more than 14 percent of the value of USAID funding for these grant awards.

**Figure 3. Monthly Operations Expenditures, Grant Disbursements and Grant Awards**



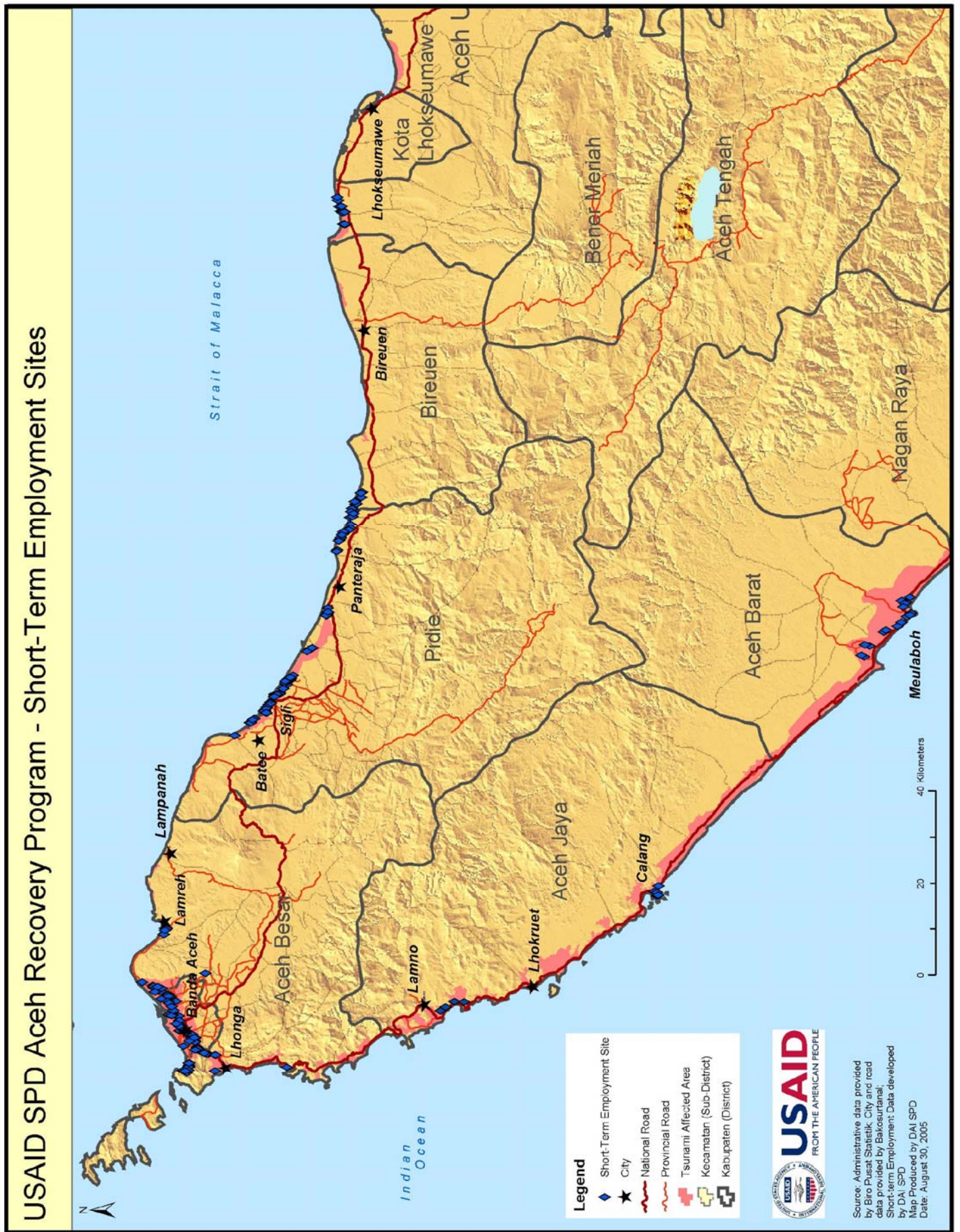
# Appendix 1: Short-Term Employment Grant Awards and Outputs (OFDA funded)

## USAID SPD Aceh Emergency Response--Short-Term Employment Grant Awards (beneficiaries and outputs, final count; 25 August 2005)

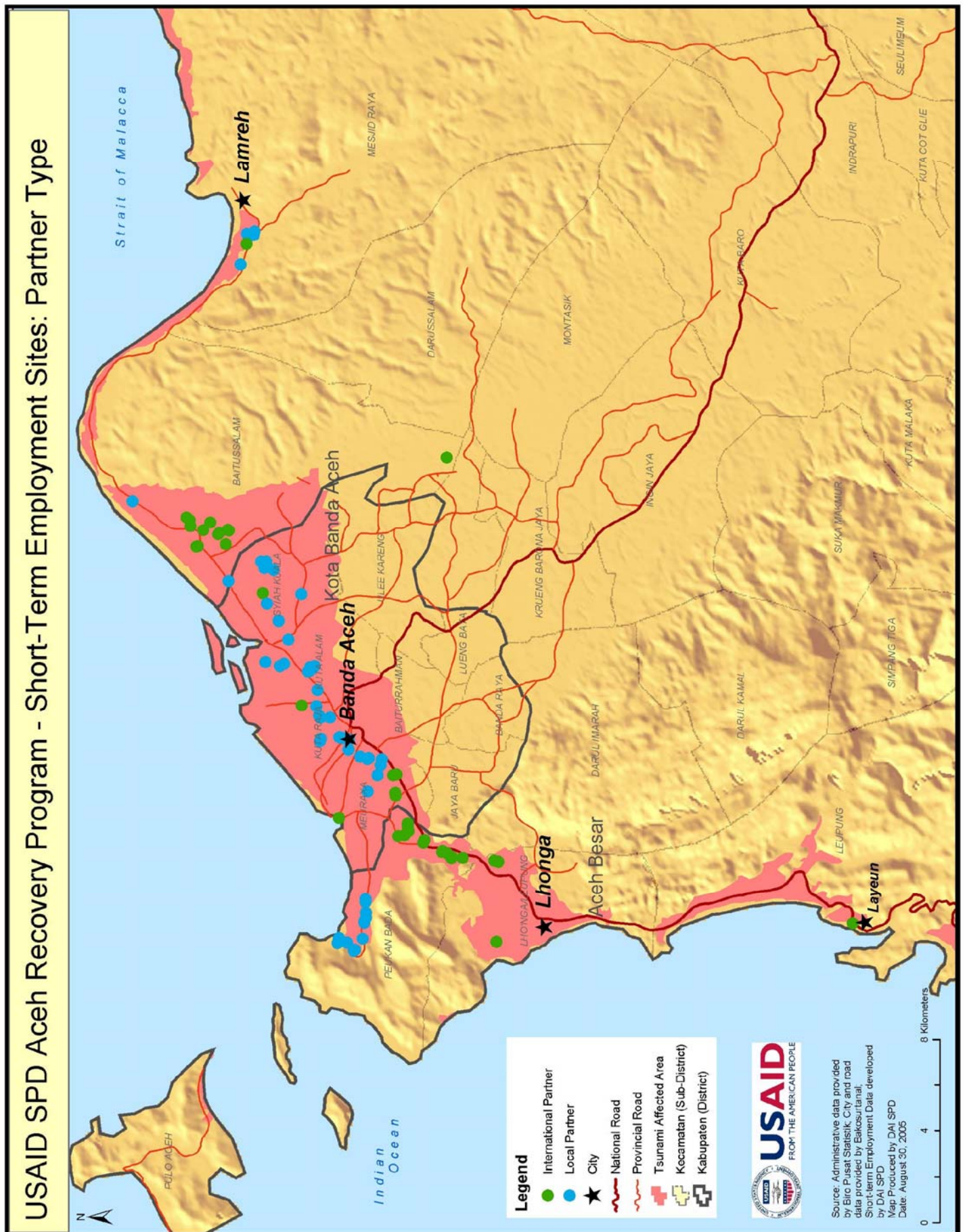
No.	Grant ID#	Grantee	Title	Grantee Contribution	SPD (OFDA) Amount of Grant Agreement or Final Amount Disbursed (active grants shaded)	Amount of Grant Agreement or Final Amount Disbursed for Cash-for-Work Activities <sup>1</sup>	Total Workers	Total Person-Days Labor	Total Cash to Workers (SPD-OFDA Funds)	Estimated Average Payment Per Work Day
International Partners										
1	SPD 022	Mercy Corps	Village Clean-up/Banda Aceh	\$349,629	\$250,000	\$250,000	2,369	42,268	\$250,000	\$5.91
2	SPD 023	Mercy Corps	Strategic Infrastructure Clean-up	\$349,909	\$249,720	\$119,720	1,763	30,129	\$119,720	\$3.97
3	SPD 024	Mercy Corps	Cash-for-Work/Meulaboh	\$374,629	\$225,000	\$225,000	5,122	90,224	\$225,000	\$2.49
4	SPD 029	IOM	Airport Clean-up/Banda Aceh	\$10,927	\$43,022	\$43,022	80	1,600	\$26,341	\$16.46
5	SPD 030	PCI	Village Clean-up/Aceh Barat	\$23,738	\$213,642	\$213,642	3,544	77,049	\$160,800	\$2.09
6	SPD 031	Food for the Hungry	Village Clean-up/Banda Aceh & Meulaboh	\$100,000	\$246,355	\$246,355	525	21,040	\$162,000	\$7.70
7	SPD 056	Child's Fund (I)	Village Clean-up/Ujele & Kreung Raya	\$24,508	\$220,573	\$220,573	588	28,224	\$127,582	\$4.52
8	SPD 057	Child's Fund (II)	Village Clean-up/Aceh Besar	\$24,508	\$220,573	\$220,573	624	29,952	\$126,910	\$4.24
9	SPD 058	Child's Fund (III)	Village Clean-up/Nagan Raya & Aceh Barat	\$24,508	\$220,573	\$220,573	580	27,840	\$92,555	\$3.32
10	SPD 059	Child's Fund (IV)	Village Clean-up/Banda Aceh	\$24,508	\$220,573	\$220,573	588	28,224	\$130,000	\$4.61
11	SPD 060	Child's Fund (V)	Quick Impact Recovery Program for Women IDPs in Aceh	\$28,046	\$252,412	\$252,412	580	35,960	\$108,706	\$3.02
				\$1,334,910	\$2,362,443	\$2,232,443	16,363	412,510	\$1,529,614	\$3.71
Sub-total Funding Amount =										
Percent of SPD (OFDA) CFW Funds to Workers =				68.5%						
Total Beneficiaries (assume 3 persons/worker) =				49,089						
Local Partners (most grants include equipment support to facilitate project implementation)										
1	SPD 019	Muhammadiyah	School Clean-up	\$0	\$75,045	\$75,045	1,964	16,732	\$40,557	\$2.42
2	SPD 020	Y. Rumpun Bumbu	Rehabilitation of Tsunami-affected Areas	\$0	\$65,489	\$65,489	1,306	25,484	\$34,087	\$1.34
3	SPD 025	LPPM	Darussalam Campus Building Clean-up	\$1,336	\$18,528	\$18,528	799	3,097	\$6,522	\$2.11
4	SPD 026	Panglima Laot	Village Clean-up/Lamno	\$3,527	\$114,850	\$108,818	660	3,330	\$60,978	\$18.31
5	SPD 027	PEMA Syiah Kuala	Syiah Kuala University Clean-up	\$0	\$78,327	\$78,327	235	5,900	\$20,349	\$3.45
6	SPD 032	PASKA	Livelihoods Recovery/Aceh Besar	\$574	\$97,967	\$67,997	1,384	5,798	\$28,153	\$4.86
7	SPD 036	LPPM	School & Public Facility Clean-up/Banda Aceh	\$1,345	\$64,137	\$61,664	1,280	6,490	\$32,786	\$5.05
8	SPD 037	Saleum	Village Infrastructure Rehabilitation/Pidie	\$1,457	\$56,827	\$31,884	1,346	1,346	\$4,471	\$3.32
9	SPD 038	Yayasan Pidie Agribusiness	Village Infrastructure Rehabilitation/Pidie	\$2,426	\$65,403	\$45,668	2,249	7,399	\$16,649	\$2.25
10	SPD 039	Keumang	Village Infrastructure Rehabilitation/Pidie	\$1,880	\$39,061	\$1,987	50	50	\$166	\$3.32
11	SPD 040	Bina Aneuk Nanggroe	Village Infrastructure Rehabilitation/Sigli	\$366	\$42,595	\$35,901	1,248	2,496	\$15,541	\$6.23
12	SPD 041	PADHI	Village Clean-up and Recovery/Aceh Jaya	\$8,092	\$69,827	\$50,014	338	5,110	\$19,677	\$3.85
13	SPD 042	Malen Dagang	Village Infrastructure Rehabilitation/Pidie	\$2,164	\$45,583	\$4,866	128	245	\$756	\$3.09
14	SPD 044	LPPM	School and Public Facility Clean-up/Bireun	\$1,242	\$29,277	\$29,277	200	4,000	\$16,393	\$4.10
15	SPD 045	Panglima Laot	Cash-for-Work/Calang	\$2,230	\$82,671	\$82,671	520	13,000	\$42,896	\$3.30
16	SPD 046	Yayasan Sahara	School and Public Facility Clean-up/Bireun	\$2,437	\$20,392	\$20,264	1,188	2,628	\$10,710	\$4.08
17	SPD 047	GEE	School and Public Facility Clean-up/Pidie	\$2,437	\$64,346	\$62,583	2,102	4,412	\$24,481	\$5.55
18	SPD 048	Pengurus Besar Persatuan Mahasiswa Keguruan	School and Public Facility Clean-up/Aceh Barat	\$1,628	\$25,965	\$25,965	107	3,735	\$6,885	\$1.84
19	SPD 050	Yayasan Sinar Desa	Village Recovery and Clean-up/Pidie	\$1,852	\$63,300	\$11,264	543	1,550	\$5,929	\$3.83
				\$34,993	\$1,119,590	\$878,212	17,647	112,802	\$387,986	\$3.44
Sub-total Funding Amount =										
Percent of SPD (OFDA) CFW Funds to Workers =				44.2%						
Total Beneficiaries (assume 3 persons/worker) =				52,941						
Grand Total Funding Amount =										
Partner Contribution as Percent of OFDA Funding =				39.3%						
Percent of SPD (OFDA) CFW Funds to Workers =				61.6%						
Total Beneficiaries (assume 3 persons/worker) =				102,030						
Percent of Total SPD (OFDA) Funding to International Partners =										
Percent of Total SPD (OFDA) Funding to Local Partners =										
Overall Total SPD (OFDA) Grant Awards =										
Cash-for-Work as Percent of Total =				68.9%						
Cash to Workers as Percent of Total =				42.5%						
(Includes 9 grant awards not listed here that were not focused on generating short-term employment)										

(includes 9 grant awards not listed here that were not focused on generating short-term employment)

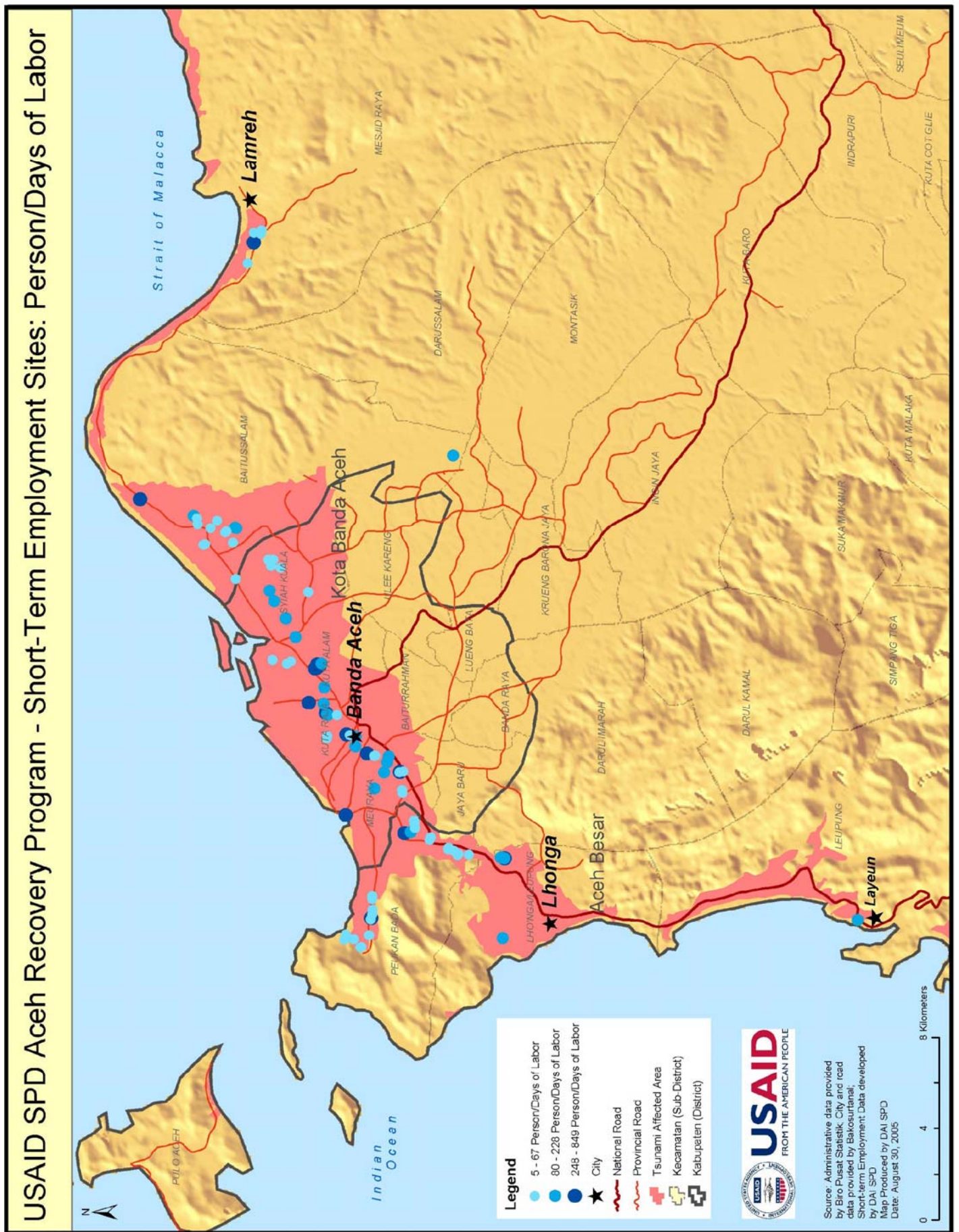
Note: <sup>1</sup> CFW funding excludes all rehabilitation funding that might have been provided to grantee













# USAID | INDONESIA

FROM THE AMERICAN PEOPLE

April 15, 2005  
Office of Democratic and Decentralized Governance  
Conflict Prevention and Response (DDG/CPR)  
Support for Peaceful Democratization Program (SPD)  
Telephone: (+62-21) 3435-9000  
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## SUCCESS STORY

### LOCAL NGOs PLAY LEAD ROLE IN EMERGENCY RESPONSE

As organizations from around the world responded to the earthquake and tsunami disaster, Indonesian NGOs based in Aceh stepped to the forefront, providing much needed knowledge and understanding of the needs of the affected population and how to address the challenges facing the relief effort. Their involvement and leadership came despite having lost friends and family members, and without any real experience in emergency relief operations. The Civil, Economic and Education Organization (CEE) is one example of an Aceh-based NGO that helped lead local relief efforts and surmounted enormous challenges in the weeks after the disaster.

After the earthquake and tsunami ravaged the town of Sigli, in Pidie Sub-District, CEE staff members searched for friends and relatives. Fortunately, they located most of their loved ones; but there was still incredible damage, thousands upon thousands of displaced people and very little help reaching those in need. After moving relatives to nearby towns, CEE members gathered to develop an emergency response strategy to help less fortunate individuals and communities.

On December 29, just three days after the tragedy, CEE established a *Posko Kemanusiaan* (humanitarian cooperation center), where they distributed rice, hygiene kits, and health and medical equipment. Working with domestic and international organizations such as Islamic Relief, Save the Children, WFP, JRS, the District Government of Pidie and the local Disaster Management Agency, CEE played an important role in the immediate disaster response—despite having lost their office, equipment, and many friends and colleagues.

Working beyond their means and under incredible physical and mental stress, CEE sought to play a meaningful role in the longer-term transition from relief to rehabilitation and development. Through their diminished but still effective NGO affinity network, CEE became aware of USAID's relief to recovery initiative funding opportunities. Friends at an Aceh NGO forum put CEE in contact with USAID, and with USAID's support, CEE quickly put together a village clean-up program using a cash-for-work approach that eventually benefited 6,300 persons, placing just under \$25,000 into the hands of these tsunami-affected people.

Several factors helped local NGOs like CEE play a positive role in the emergency response:

- Good management practices and a team-oriented approach;
- Daily staff meetings to discuss best-practices and trouble-shooting strategies;
- Dedication to immediate results and a rights-based approach to program implementation; and
- Direct engagement of IDPs to ensure beneficiary commitment to program results.

Recognizing the strengths of local partners, USAID awarded grants to 25 Aceh-based NGOs valued at over \$2.1 million. These resources were used to clean roads, schools, and village meeting centers; replace destroyed boats and recover livelihoods in disaster-affected communities; and purchase office supplies and equipment for NGOs to re-establish their operational capacity. Many local NGO initiatives focused on creating short-term employment for IDPs. These activities, funded by USAID, created 111,000 person-days of work benefiting more than 37,800 persons—and delivered \$425,000 in cash payments to workers.

## Appendix 4: Aceh Community Rehabilitation Component



United States Agency for International Development, Indonesia  
Office of Democratic and Decentralized Governance  
Conflict Prevention and Response (DDG/CPR)  
Support for Peaceful Democratization Program (SPD)

### SPD Aceh Recovery Program – Community Rehabilitation Component 3 March 2005

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*The Community Rehabilitation Component presented herein should be seen as one component of an overall SPD strategy for supporting recovery and peace-building in Aceh. Because the approach and methods it employs will very likely generate numerous initiatives outside the scope of the SPD Program Framework, the component seeks close coordination and cooperation with other Mission SOs.*

#### 1. Background

The December 26, 2004 earthquake and ensuing tsunami waves devastated much of the coastal regions of Aceh and caused great human suffering. As immediate relief activities move to completion, affected communities, the Government of Indonesia and the donor community have begun to address mid-term recovery requirements. At this stage it is critical that all segments of Acehnese society participate fully in planning and implementing recovery programs.

At the same time, the disaster presents an opportunity to mend relations and increase cooperation between national and provincial governments, and between local governments and communities. However, as quickly as the disaster struck, this opportunity may close if action is not taken to exploit it and break into the cycle of conflict and poverty that affects Aceh. This working paper presents a strategy for quick recovery in target communities affected by the disaster, and for seizing opportunities to integrate recovery activities with new and innovative peace building initiatives.

The strategy focuses on strengthening civil society at the village level through efforts to rehabilitate and rebuild communities affected by the tsunami. Recognizing this can easily increase existing tensions between communities and the government and security forces, the strategy seeks to engage them in the recovery process directly, from the outset of the program. In other words, the strategy employs conscious effort to design approaches and projects that prevent, manage and resolve potentially violent disputes. The strategy comprises three key elements: ensuring community participation in all aspects of the recovery process; encouraging partnership between communities and local government in the recovery process; and achieving measurable livelihood improvement in disaster-affected communities.

#### 2. Program Framework

The objective of the Aceh Recovery Program is to *empower civil society by building their capacity and capability to determine, plan, implement and manage the rehabilitation of their communities effectively and efficiently*. Recognizing the environment in Aceh, and the SPD Program purpose of developing sustainable capacity for building peace and resolving conflict, the program will strive to ensure that its initiatives do “double duty”—that is, empower civil society through recovery initiatives that lead to measurable improvement in target communities *and* build foundations for the peaceful resolution of disputes.

The major results (outputs) of the program include:

- Substantial and sustainable improvement in livelihoods<sup>1</sup> in target communities;

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<sup>1</sup> Conceptually, implies the means, activities, entitlements and assets by which people make a living. Assets are defined as natural (land, water, common property), social and political (community, family, social networks), human (knowledge, skills), and physical (markets, schools, clinics).



## Appendix 4: Aceh Community Rehabilitation Component

- Good governance<sup>2</sup> practiced and nurtured in target communities; and
- A process for integrated community-driven recovery and development that can be adopted and adapted in other areas of Aceh.

Through participatory planning processes and capacity building activities, the program endeavors to help civil society and the larger community to envision and take action to facilitate quick recovery and promote reconciliation and peace building. Community-level training events will include issues such as good governance for local development, conflict management and resolution, facilitation skills and personal empowerment. Developing skills and raising awareness in these areas will enable participants take ownership of the recovery process at the personal and community levels.

Full recovery from the devastation caused by the earthquake and tsunami is beyond the capacity of the local government or the community alone. Therefore, a strong partnership between local communities and government agencies will be sought at all levels of the program.

### 3. Implementation Strategy

Program implementation will occur in a rolling process involving approximately 65 target communities (final number of communities will be determined largely by availability of program funds), and will be facilitated by a number of “Community Facilitators” under the supervision and guidance of experienced “Field Coordinators”. Engagement with government agencies and programs (including BAPPENAS and KDP) will begin at the earliest stages of the program, through planning sessions, group discussions, and field visits. Site selection will be guided by clear criteria to ensure program resources are targeted for optimal impact. Pilot communities will be selected, most likely in the Banda Aceh vicinity, for initial program activities to test and refine implementation strategies and approaches. Subsequently it will be expanded along the west coast.

The rehabilitation strategy consists of four stages, preparation, entry, development and adoption.

#### Stage 1: Preparation

Selection of project communities (villages) will be guided by clearly defined criteria. Program priorities, policies, operational concerns, and, importantly, the availability of accurate and complete information imply that certain data will be collected and analyzed. The selection process will be conducted in phases, and advance across geographic areas and become increasingly adapted to the work environment.

In order to ensure optimal impact, clusters of communities will be selected (e.g, Kemukiman or groups of 4-5 villages). This will facilitate interaction with local government agencies, and limit jealousies that could arise between villages participating in the program and those that are not which are in close proximity. Furthermore, a cluster-based program provides a format by which the practice of good governance at village level may influence governance practices at the Kacamatan level.

Two issues circumscribe the selection process: first, the scale of the disaster and its impact dictate a quick selection of target communities must proceed quickly. As a result, a complete survey of all affected communities on a wide range of issues is not possible. The needs are great, and quick action is called for; there is no time for lengthy data collection and analysis efforts. Second, a lack of existing accurate information and difficulty in collecting complete information in the current environment implies that any survey will only be indicative and incomplete. As a result, data collection and analysis

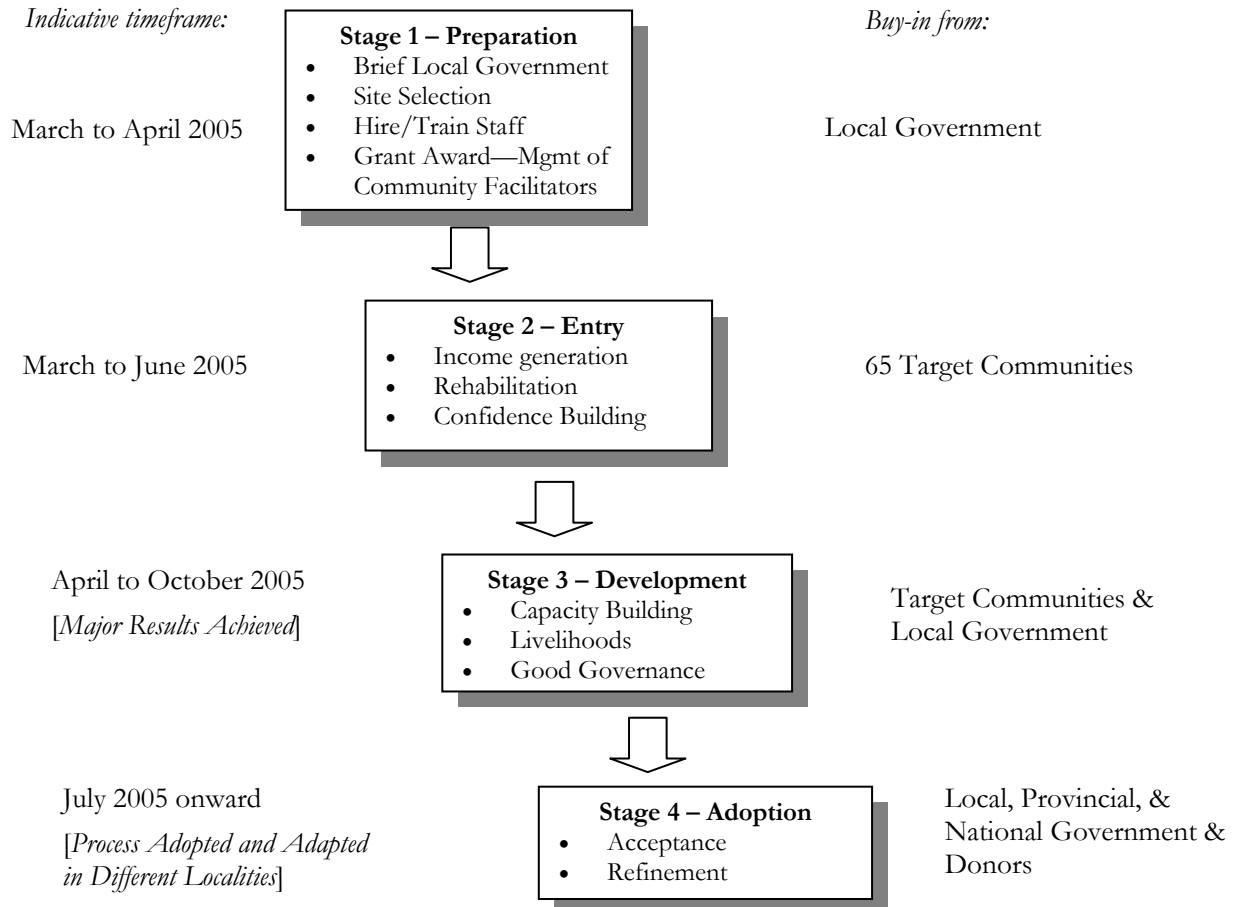
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<sup>2</sup> Defined here as effective leadership and efficient management of social and economic development.

## Appendix 4: Aceh Community Rehabilitation Component

will proceed quickly and whenever possible use information collected by other organizations—particularly data available from the government and the UN/HIC. A guiding principle of the survey effort is that we collect only information that is absolutely necessary to select communities to participate in the rehabilitation program.

### Community Rehabilitation Strategy—Four Stages



*Selection of Pilot Communities (completed by Friday, 4 March).* Initially, about 8 Kecamatan will be surveyed, and basic criteria used to select the 1-2 pilot clusters (4-8 villages) from those surveyed. Selection of the initial set of 8 Kecamatan will be based on two criteria:

1. Safe/secure access by vehicle from Banda Aceh (ensures easy access for learning, visits, etc.);
2. Affected by the earthquake/tsunami.

A simple survey will be conducted in these 8 Kecamatan, with visits made to affected villages in each (i.e., about 30 villages). Initial observations and interviews with key informants in each village will narrow the number of village clusters to be surveyed. In areas chosen for detailed surveying, information will be collected on the following:

1. Extent of human suffering from earthquake/tsunami;

## Appendix 4: Aceh Community Rehabilitation Component

2. Extent physical destruction (social and economic infrastructure) from earthquake/tsunami;
3. Size and composition of the present population;
4. Opportunities for livelihoods rehabilitation;
5. Extent of major community-based livelihoods development efforts by other donors;
6. Expressed willingness and capacity of community to participate and contribute to program; and
7. Expressed willingness of local government to work with communities using program approaches.

Spatial information will be collected from each village surveyed using GPS technology, enabling visual presentation of areas surveyed and data collected. Secondary socio-economic and donor activity data will also be sought for these areas. For example, income level, and primary school enrollment levels will be collected and entered into the survey database. Information analysis will proceed after the end of the survey. In-house discussion of the results of the analysis, and of qualitative information collected from each village, will lead to selection of 1-2 pilot clusters. Lessons from this effort will be used to refine survey methods for subsequent surveying and selection efforts.

*Selection of Other Communities.* Selection of additional clusters for the program will proceed in phases. In each phase, about 15 Kecamatan will be surveyed from which 4-5 clusters will be selected for the program. Survey phases will overlap with each other, and proceed in parallel with other program activities. Each phase will take less than 2 weeks to complete, implying selection of 20 clusters (65 communities) before 11 April 2005. As clusters are selected, local government support will be sought, and activities will proceed immediately to the entry stage of the program.

### Stage 2: Entry

Community Facilitators will work with community and government leaders to plan for and implement activities to rehabilitate basic social and economic infrastructure (e.g., schools, clinics, markets, likely using cash-for-work methods). This will provide a sense of security and confidence among participants that progress is possible and, more importantly, facilitate hope for a peaceful future, leading to Stage 3.

### Stage 3: Development

Community Facilitators will assist communities to establish rehabilitation goals for 2005 and to develop plans to improve livelihoods. USAID will help start the recovery process through the provision of grant awards for income generating activities that will produce quick tangible returns to participants (an estimated \$50,000 to \$100,000 per target community is foreseen). Strong effort will be made to ensure that women, youth and other vulnerable groups participate in the decision making and planning processes and that they have equal access to resources to develop their livelihoods. Target communities will likely develop a number of recovery activities that could be implemented through other USAID/SO initiatives. Additionally, the community will identify activities that they will implement without external assistance.

### Stage 4: Adoption

By the end of 2005, participating communities will have prepared medium-term recovery plans and a 2006 work plan. As the program is implemented, we will assess its overall impact, including the effectiveness of strategies and approaches. Lessons learned will be used to refine the model for use in other areas of Aceh.

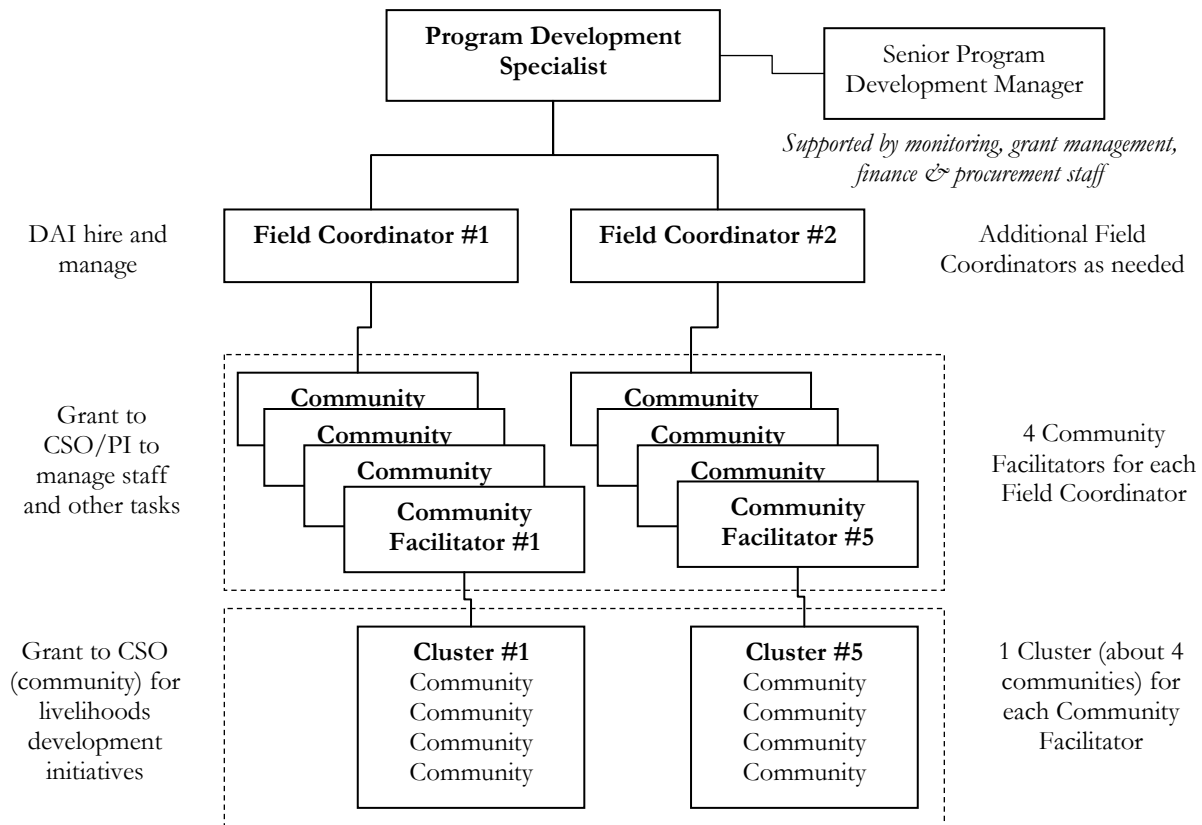
## **4. Program Staffing Structure**

The program will be managed by a Program Development Specialist (PDS), supported by the Senior Program Development Manager. Monitoring, grant management, finance and procurement personnel will provide additional support.

## Appendix 4: Aceh Community Rehabilitation Component

To assist 65 target communities, the PDS will lead and is directly responsible for the performance of the about five DAI-hired Field Coordinators. Each Field Coordinator will in turn be responsible for leading four Community Facilitators, employed through a grant agreement with a local CSO or Public Institution. Each Community Facilitator will assist one cluster, or four communities. Two to three field offices (funded via grant awards) will be established in or near village clusters to minimize travel time of the Community Facilitators and to provide locations for meetings, training events, and communication among program personnel.

### Community Rehabilitation Program—Implementing and Financing Framework



Abbreviation: CSO Civil Society Organisation

PI Public Institution

## 5. Project and Grant Development

During the program, Community Facilitators will work with communities to develop projects to rehabilitate social and economic infrastructure and stimulate income-earning opportunities. The flow of community project and grant development, and staff roles and responsibilities in these processes, are the same as used for other SPD programs.

The project and grant development process reinforces the key elements of the overall program strategy. First, it places the community at the forefront of the process—they develop initiatives based on their own assessments of their needs, manage the implementation of their plans and activities, and assess the

#### Appendix 4: Aceh Community Rehabilitation Component

impact of their actions. Second, the development and implementation process encourages partnership between communities and local government by facilitating interaction between communities and government officials. Third, this participatory process ensures that initiatives are designed appropriately and that they will achieve measurable livelihood improvement in participating communities. Finally, and most importantly, the process promotes a relationship between government and civil society that is based on trust and confidence—a relationship that provides opportunity for people to look forward and envision a shared future.

Key aspects of the project and grant development process, including outputs, activities and staff inputs are presented in the following two diagrams.

## Appendix 4: Aceh Community Rehabilitation Component

### Entry Project and Grant Development Process

<i>Output</i>	<i>Activity*</i>	<i>Staff Input</i>
Community priority needs	1. Community discussion (with Local Government observers)	CF, FC
Potential activities for grant funding	2. Review of community needs with Local Government observers	CF, FC, PDS, GM
Community proposal	3. Facilitate proposal preparation with CSO** with Local Government input	CF, FC
Proposed budget	4. Facilitate budgeting with CSO	CF, FC, GM
Final proposal	5. Prepare final proposal in-house	FC, PDS, GM
Cleared proposal	6. USAID clears proposal	CTO
Signed agreement	7. DAI and CSO sign agreement	DCOP
Project outcomes	8. Community implements and manages project	CF, PO, GM
Effective and efficient project implementation	9. Monitoring project activities with Local Government	CF, FC
Refined process, knowledge of project outcomes	10. Assess project progress with Local Government input	FC, PDS, SPDM

\* Local Government will be encouraged to observe and provide inputs in assisting and facilitating the community rehabilitation process.

\*\* CSO – Civil Society Organization – includes 1 Gencik (traditional leader), 4 Tuha Pent (elders), Social Group Representatives (inc. women, youth, disadvantaged), and Sector Representatives (Health, Education, Agriculture, Fishery, SME).

#### Abbreviation:

SPDM Senior Program Development Manager  
COP Chief of Party  
CTO Cognizant Technical Officer  
FC Field Coordinator  
MEM Monitoring and Evaluation Manager  
PO Procurement Officer

CF Community Facilitator  
CSO Civil Society Organization  
DCOP Deputy Chief of Party  
GM Grant Manager  
PDS Project Development Specialist

## Appendix 4: Aceh Community Rehabilitation Component

### Livelihoods Project and Grant Development Process

<i>Output</i>	<i>Activity*</i>	<i>Staff Input</i>
Community understands governance and planning	1. Strengthen and train community with Local Gov observers	CF, FC
Community Rehabilitation Plan 2005	2. Facilitate participatory planning with Local Gov't observers	CF, FC
Potential activities for grant funding	3. Community writes proposal	CF, FC, GM
Short-list of proposal	4. Refine and revise proposal in	CF, PDS
Proposed budget	5. Facilitate budgeting with CSO	CF, FC, GM
Final proposals	6. Prepare final proposal in-house	FC, PDS, GM
Cleared proposal	7. USAID clears proposal	CTO
Signed agreement	8. DAI and CSO sign agreement	DCOP
Community with technical capability to implement project	9. Provide community with technical assistant and training as identified in the proposal with Provincial and Local Gov input	FC, CF, PDS
Project outcomes	10. Community implements and manages project activities with Local Gov observation	CF, PO, GM
Effective and efficient project implementation	11. Monitor all project activities	CF, FC
Refined process and practice	12. Assess project progress with Local Gov input.	FC, PDS, SPDM
Refined knowledge of process and practice ledge of Program Development and good governance at community level	13. Assess Program impact with Local Gov input.	MA, COP, DCOP

\* Local Government will be encouraged to observe and provide inputs in assisting and facilitating the community rehabilitation process.

\*\* CSO – Civil Society Organization – includes 1 Gencik (traditional leader), 4 Tuha Pent (elders), Social Group Representatives (inc. women, youth, disadvantaged), and Sector Representatives (Health, Education, Agriculture, Fishery, SME).

#### Abbreviation:

SPDM Senior Program Development Manager  
 COP Chief of Party  
 CTO Cognizant Technical Officer  
 FC Field Coordinator  
 MA Monitoring and Assessment Manager  
 PO Procurement Officer

CF Community Facilitator  
 CSO Civil Society Organization  
 DCOP Deputy Chief of Party  
 GM Grant Manager  
 PDS Project Development Specialist



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## Aceh Community-Based Recovery Initiative

**The Challenge.** The December 26, 2004 earthquake and ensuing tsunami devastated much of coastal Aceh and caused enormous human suffering, prompting an unprecedented humanitarian response. As relief activities move to completion, affected communities, the Government of Indonesia, and the donor community must now address the challenges of long-term recovery. Meeting this challenge demands an effective partnership between local communities and private-sector contributors.

**The Response.** A key requirement in building effective partnerships is identifying and acting on local priorities. Currently working with more than 50 communities—representing a population of 32,000 persons, or 8 percent of the estimated affected population—USAID’s Community-Based Recovery (CBR) initiative facilitates participatory planning to identify local needs and provides grant funding to achieve clear results in the near term.

CBR places the community at the forefront of the recovery process. Local communities develop initiatives based on their own assessments of their own needs, manage the implementation of their plans and activities, and assess the impact of their actions. This local ownership ensures that CBR initiatives are designed appropriately and will achieve measurable, near-term improvement.

The result is a demand-driven program that assists communities to rehabilitate basic social and economic infrastructure—schools, clinics, markets, irrigation canals, and rice fields—building a foundation for sustainable recovery and development. CBR helps communities move from dependency on relief to self-reliance through viable and sustainable economic activity.

As a critical part of this process, CBR promotes partnership between communities and local government agencies. It also promotes the participation of women, youth, and other vulnerable groups in the decision-making and planning processes and ensures they have equal access to resources to develop their livelihoods.



Acehnese men and women come together to plan their own recovery efforts.

**The Strategy.** To attain optimal impact, CBR selected clusters of two to five communities (roughly 575 families or 2,000 persons per cluster). This clustering approach builds a critical mass at the village level that can help shape governance performance and practices at the subdistrict level. Criteria used to select project villages include the extent of destruction of social and economic infrastructure, the size and composition of the current population, the opportunities for rehabilitating livelihoods, and the willingness of the community and local government agencies to participate and contribute. Furthermore, this strategy effectively allows the private sector to “adopt” a cluster of communities.

CBR facilitators—employed through a grant agreement with Syiah Kuala University in Banda Aceh and trained by CBR specialists—work with community and government leaders to identify and prioritize needs through a process that engages the entire community. Facilitators then work with leaders to design associated activities and prepare management and implementation plans.



CBR awards grants directly to communities to implement priority activities established through the planning process and likely to produce quick, visible impact. At present, USAID resources fund all grant awards, but the participatory planning process also identifies activities that could be funded by other donors and the private sector. Communities also identify activities that they will implement without external assistance.

Finally, CBR facilitators assist communities to manage the implementation of grant-funded activities, using community-led monitoring systems to increase transparency and accountability to the whole village, thereby reducing opportunities for corruption and misallocation of funds.

**The Results.** Initiated in March, CBR has awarded more than \$1.62 million in grants to support recovery in participating communities. These funds support various activities, most of which aim to generate short-term employment in affected communities. More than 202,000 person-days of labor have been created, yielding \$810,000 in cash payments to workers and benefiting 18,000 persons.

Most villages chose as their first activity to clear debris from agricultural land. Knowing that planting a rice crop in May is critical, and that the subsequent harvest would provide food and income for the community, CBR moved quickly to fund the clearing of 2,500 hectares of rice paddy and 20 kilometers of adjoining irrigation canals.

Activities just completed in Blang Krueng village exemplify the impact of CBR funding. Like many coastal communities, Blang Krueng was all but destroyed by the tsunami. Despite having lost nearly a quarter of its population and all its infrastructure, Blang Krueng's remaining families gathered to make plans to clear their rice paddy of debris in time for planting. Working with CBR facilitators, the community developed a proposal that CBR approved immediately. As a result, 120 farmers cleared debris from 60 hectares of land and 1.2 kilometers of canal, gaining short-term employment and earning \$25,000 in wages—cash they can use to purchase seed, plow fields, and plant a rice crop. In this way, partner communities gain immediate benefit (cash wages) and prepare a foundation for future self-reliance.



Participants in USAID's CBR program clear debris from rice paddy and prepare for planting.

Many partner communities, having lost nearly all public buildings, placed high priority on constructing simple meeting and office facilities. To date, CBR has provided funding for 16 meeting centers where community members can meet to discuss needs, prioritize projects, and prepare action plans. The centers also serve as information posts where people can go for advice and assistance in recovering lost documents such as government-issued identification cards, birth records, and marriage certificates.

**The Future.** CBR is operational, with proven systems and skilled personnel in place to facilitate quick recovery in partner communities. Opportunities exist for private-sector contributors to channel resources to current CBR partner communities and to expand the initiative to new areas quickly and efficiently. With additional resources, CBR can help communities recover their self-reliance through viable and sustainable economic activity.

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10 May 2005

Appendix 6: Community-Based Recovery Initiative: Entry Grant Outputs

USAID SPD Community-Based Recovery Initiative – Entry Grant Final Outputs (15 August 2005)

No.	Grant #	Kabupaten	Kecamatan	Desa	Cluster	GIS Code	Beneficiaries			Workers Employed			Persons-Days of Labor			Total Cash to Workers (estimate)	Infra. Rehabilitation & Construction			Land Clearing (ha)							
							Female	Male	Total	Female	Male	Total	Female	Male	Total		Irrigation Canal (meters)	Drainage Ditch (meters)	Community Center	Recreation Facility	Feeding (meters)	Trees	Village Area	Agr. Land	Total Area		
1	SPD001	PDBE	TRINGGADENG	COT LIEU RHENG	TRIENGGADENG	C01-1	359	421	780	11	191	202	165	2,865	3,030	\$11,183			600			22.5	86.5	109.0			
2	SPD007	PDBE	TRINGGADENG	MELE	TRIENGGADENG	C01-2	834	674	1508	63	603	666	420	4,020	4,440	\$16,386						31.3	118.7	150.0			
3	SPD003	PDBE	PANTE RAJA	PEURADU	PANTE RAJA	C02-1	496	416	912	11	191	202	165	2,865	3,030	\$11,183						24.1	150.9	175.0			
4	SPD009	PDBE	PANTE RAA	TUNONG PANTHE RAJA	PANTE RAJA	C02-2	272	260	532	11	148	159	110	1,480	1,590	\$5,868						11.0	149.0	160.0			
5	SPD000	PDBE	KEMBARANG TANJUNG	JEMURANG	KEMBARANG TANJUNG	C03-1	299	324	623	74	154	228	592	1,232	1,824	\$6,732			750			17.3	102.7	120.0			
6	SPD002	PDBE	KEMBARANG TANJUNG	LANCANG	KEMBARANG TANJUNG	C03-2	705	753	1458	176	353	529	1,408	2,824	4,232	\$15,619			2,700			49.7	170.3	220.0			
7	SPD008	PDBE	KEMBARANG TANJUNG	PASI LHK	KEMBARANG TANJUNG	C03-3	634	553	1187	115	263	378	920	2,104	3,024	\$11,160			1,317		1	33.7	98.3	132.0			
8	SPD005	PDBE	SIMPANG TIGA	KUPULA	SIMPANG TIGA	C04-1	151	163	314	0	117	117	0	1,407	1,407	\$5,193			200								
9	SPD006	PDBE	SIMPANG TIGA	MESID GIGENG	SIMPANG TIGA	C04-2	201	180	381	0	124	124	0	1,262	1,262	\$4,608			1								
10	SPD005	PDBE	SIMPANG TIGA	MNS GONG	SIMPANG TIGA	C04-3	295	271	566	0	150	150	0	1,140	1,140	\$4,207			1								
11	SPD004	PDBE	SIMPANG TIGA	PULO GAJAH MATE	SIMPANG TIGA	C04-4	202	222	424	0	166	166	0	1,198	1,198	\$4,421			2	1							
12	SPD004	ACH BESAR	MESID RAYA	LADONG	MESID RAYA	C05-1	567	651	1218	150	169	319	3,600	4,056	7,656	\$28,255											
13	SPD003	ACH BESAR	MESID RAYA	MEUNASAH KEUDIE	MESID RAYA	C05-2	527	512	1039	40	72	112	960	1,684	2,644	\$9,758		1,900				20					
14	SPD001	ACH BESAR	MESID RAYA	MEUNASAH KULAM	MESID RAYA	C05-3	380	348	728	40	72	112	960	1,684	2,644	\$9,758		1,600				20					
15	SPD002	ACH BESAR	MESID RAYA	MEUNASAH MON	MESID RAYA	C05-4	588	520	1108	0	72	72	0	1,684	1,684	\$6,215		1,700				20					
16	SPD009	ACH BESAR	DARUSSALAM	LAM PELDAYA	DARUSSALAM 1	C06-1	212	193	405	140	162	302	1,680	1,944	3,624	\$13,375		3,000									
17	SPD001	ACH BESAR	DARUSSALAM	MIRUK TAMAN	DARUSSALAM 1	C06-2	428	415	843	80	80	160	2,400	2,400	4,800	\$17,715		1,300									
18	SPD007	ACH BESAR	DARUSSALAM	SULEJE	DARUSSALAM 2	C07-1	116	104	220	64	120	184	1,536	2,880	4,416	\$16,298		800									
19	SPD005	ACH BESAR	DARUSSALAM	TANTUNG DEAH	DARUSSALAM 2	C07-2	396	319	715	80	182	262	960	2,184	3,144	\$11,603		300									
20	SPD005	ACH BESAR	DARUSSALAM	TANSING SELAMAT	DARUSSALAM 2	C07-3	1663	1579	3242	40	160	200	1040	4,160	5,200	\$19,191		6,000									
21	SPD001	ACH BESAR	BATUSSALAM	BAET	BATUSSALAM	C08-1	453	650	1103	100	100	200	2600	2,600	5,200	\$19,191		1,350									
22	SPD000	ACH BESAR	BATUSSALAM	BLANG KRUENG	BATUSSALAM	C08-2	734	721	1455	80	160	240	2080	4,160	6,240	\$23,029		1,044									
23	SPD009	ACH BESAR	BATUSSALAM	CADREK	BATUSSALAM	C08-3	181	240	421	95	105	200	2470	2,730	5,200	\$19,191		1,300									
24	SPD008	ACH BESAR	BATUSSALAM	KAHU	BATUSSALAM	C08-4	54	105	159	40	50	90	2600	2,600	5,200	\$19,191		2,400									
25	SPD021	ACH BESAR	PEUKAN BADA	GAMPONG BARO	PEUKAN BADA 1	C09-1	15	79	94	15	70	85	570	2,660	3,230	\$11,921											
26	SPD020	ACH BESAR	PEUKAN BADA	LAMTEH	PEUKAN BADA 1	C09-2	33	112	145	23	77	100	1196	4,004	5,200	\$19,191											
27	SPD008	ACH BESAR	PEUKAN BADA	LAMTEUNGOH	PEUKAN BADA 1	C09-3	30	126	156	33	93	126	749	959	1,708	\$6,304				1	1	3,241					
28	SPD008	ACH BESAR	PEUKAN BADA	LAMTUTUI	PEUKAN BADA 1	C09-4	24	69	93	19	55	74	447	572	1,019	\$3,761											
29	SPD022	ACH BESAR	PEUKAN BADA	MEUNASAH TUHA	PEUKAN BADA 1	C09-5	91	173	264	24	61	85	1,298	3,172	4,470	\$16,497				739							
30	SPD007	ACH BESAR	PEUKAN BADA	GURAH	PEUKAN BADA 2	C10-1	38	97	135	15	71	86	670	2,856	3,526	\$13,013		3,000									
31	SPD006	ACH BESAR	PEUKAN BADA	LAM GUEU	PEUKAN BADA 2	C10-2	271	408	679	9	120	129	226	2,698	2,924	\$10,791		5,000									
32	SPD008	ACH BESAR	PEUKAN BADA	LAM LUMPU	PEUKAN BADA 2	C10-3	111	272	383	26	94	120	466	1,714	2,180	\$8,046		1,000									
33	SPD005	ACH BESAR	PEUKAN BADA	LAMKEUMOK	PEUKAN BADA 2	C10-4	36	100	136	18	108	126	352	2,084	2,436	\$9,900		3,000									
34	SPD005	ACH BESAR	PEUKAN BADA	MEUNASAH BALÉE	LAMPUK	C11-1	112	152	264	30	72	102	720	1,728	2,448	\$9,035											
35	SPD007	ACH BESAR	LAMPUK	MEUNASAH LAMBARO	LAMPUK	C11-2	104	168	272	10	33	43	480	1,584	2,064	\$7,617											
36	SPD006	ACH BESAR	LAMPUK	MEUNASAH MESHD LAMPUK	LAMPUK	C11-3	209	354	563	20	44	64	960	2,112	3,072	\$11,338											
37	SPD007	ACH BESAR	LHO'NGA LEUPUNG	LAMKRUEI	LHO'NGA LEUPUNG	C12-2	168	173	341	42	65	107	1,092	1,690	2,782	\$10,267											
38	SPD006	ACH BESAR	LHO'NGA LEUPUNG	LAMPAYA	LHO'NGA LEUPUNG	C12-3	620	686	1306	47	65	112	1,222	1,690	2,912	\$10,747			1								
39	SPD004	ACH BESAR	LHO'NGA LEUPUNG	MON KEUN	LHO'NGA LEUPUNG	C12-4	367	513	880	37	70	107	962	1,820	2,782	\$10,267											
40	SPD006	ACH BESAR	LHO'NGA LEUPUNG	WU RAYA	LHO'NGA LEUPUNG	C12-5	293	372	665	47	60	107	1,222	1,560	2,782	\$10,267											
41	SPD026	ACH BESAR	LEUPUNG	DEAH MAMPLAM	LEUPUNG 1	C13-1	207	260	467	18	69	87	810	3,105	3,915	\$14,449											
42	SPD025	ACH BESAR	LEUPUNG	MESHD LEUPUNG	LEUPUNG 1	C13-2	57	152	209	36	140	176	810	3,150	3,960	\$14,615											
43	SPD023	ACH BESAR	LEUPUNG	MEUNASAH BAK UE	LEUPUNG 1	C13-3	208	215	423	53	176	229	2,385	3,960	6,345	\$23,417											
44	SPD024	ACH BESAR	LEUPUNG	LANSHEUNA	LEUPUNG 2	C14-1	54	110	164	32	116	148	720	2,610	3,330	\$12,290											
45	SPD004	ACH BESAR	LEUPUNG	PULOT	LEUPUNG 2	C14-3	161	165	326	0	30	30	0	2,220	2,220	\$8,193			2	1							
46	SPD007	ACH BESAR	LHOONG	BAROH BLANGMBEE	LHOONG 1	C15-1	46	59	105	64	86	150	3,072	4,128	7,200	\$26,572		1,000									
47	SPD007	ACH BESAR	LHOONG	BAROH GEUNTEUT	LHOONG 1	C15-2	106	129	235	68	82	150	3,264	3,936	7,200	\$26,572		1,000									
48	SPD009	ACH BESAR	LHOONG	TEUNGOH GEUNTEUT	LHOONG 1	C15-3	132	154	286	84	66	150	4,032	3,168	7,200	\$26,572		2,000									
49	SPD001	ACH BESAR	LHOONG	LAMKUTA BLANGMBEE	LHOONG 2	C16-1	177	170	347	91	59	150	43,68	2,832	7,200	\$26,572		500									
50	SPD003	ACH BESAR	LHOONG	TEUNGOH BLANGMBEE	LHOONG 2	C16-2	81	64	145	76	34	110	3,648	1,632	5,280	\$19,486											
51	SPD004	ACH BESAR	LHOONG	UMONG SEURIBEE	LHOONG 2	C16-3	303	332	635	168	144	312	7,560	6,480	14,040	\$51,816		500									
51 Community Total							14,801	16,258	31,059	2,515	6,124	8,639	69,567	127,287	197,254	\$772,986	19,844	25,417	14	4	8,419	0	60	1,063.5	2,904.5	3,968.0	
Total =							Average per Village =			290			609			\$14,274			24.7			67.5			92.3		
Percent of Total Population =							48%			29%			35%			\$3.69			\$150,358			\$2,802			\$13,054		
Total Cost =													\$727,986									\$9,219					

Please, callings by Bina Pesta Sustain / BPS : Beneficiary (population) data collected through village surveys by DMS/SPD conducted June-July 2005.

Please specify by the Post Survey (BPS): Beneficiary population data collected through village surveys by DMS-SPD (conducted June-July 2005).



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June 7, 2005  
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## Aceh Disaster Response

### Mitigating Conflict, Transforming Relationships

The December 26, 2004 earthquake and ensuing tsunami devastated much of coastal Aceh and caused enormous human suffering. A key requirement in the rebuilding process is identifying and acting on local priorities. Currently working with more than 50 communities, USAID's Community-Based Recovery (CBR) initiative facilitates participatory planning to identify local needs and provides grant funding to achieve clear results in the near term. Recognizing that recovery activities can easily create tensions within and between participating communities, CBR uses approaches that prevent, manage and resolve potentially violent disputes.

CBR employs facilitators to work with community and government leaders to identify and prioritize needs through a process that engages the entire community. To achieve optimal impact, facilitators receive intensive training on a range of issues, including good governance for local development, facilitation, personal empowerment and conflict mitigation and resolution.

An important 5-day training event was conducted at the University of Syiah Kuala in Banda Aceh in May 2005. Its objective was to build facilitator skills in strengthening local governance and promoting quick and sustainable recovery in affected communities. During the training, facilitators learned of the four key roles and responsibilities of community leaders: give clear direction to people in their communities, move them together in that direction, motivate and empower them to reach their goals, and, lastly, resolve conflicts that occur along the way.

On the last day of the training, around 60 men and women from a community participating in the CBR initiative visited the CBR office in Banda Aceh to air grievances. They disagreed with the decision of their young village leader (*gucik*) who had chosen to provide employment to all residents, including people who had only recently returned to the village. The *gucik* wanted to spread work opportunities between all groups in the village because so many people had returned to the area after learning of the employment generation project—he wanted to share the wealth with as many people as possible. Others in the community argued that only residents involved in planning the project should gain benefit from it—they felt they were losing opportunity to earn money. The *gucik*, lacking experience in conflict resolution, was unable to facilitate a solution to the problem and the situation spiraled quickly into a state of frustration, finger pointing, and anger. This circumstance provided CBR facilitators with an ideal opportunity to put new skills to use and demonstrate the effectiveness of conflict resolution methods.



Two days later, the CBR Field Coordinator and the Community Facilitator assigned to work with the community, visited the village to mediate the conflict and to facilitate a peaceful solution to the dispute. They met with the *geucik* and several community representatives in a neutral location, a nearby house owned by a local businesswoman. Other members of the CBR team and USAID representatives accompanied them to lend support and observe conflict resolution in practice.

The Field Coordinator started the discussion by asking a representative of the village to describe the situation as the community saw it, and to communicate their feelings about the situation. To ensure that the *geucik* fully understood the community's point of view, he was asked to repeat in his own words how the community saw and felt about the situation. Next, the community listened as the *geucik* explained reasons behind his decision and expressed his opinion of the community's actions. In turn, a village representative repeated what he had heard from the *geucik*. Once the *geucik* and community representatives more fully understood the reasons behind their actions, tension disappeared and frowns were replaced by smiles. The Field Coordinator explained briefly CBR plans to help the community develop initiatives based on their own assessments of their own needs, and to manage the implementation of their plans and activities. He then asked the *geucik* and the community representatives to share their goals and expectations for the future. Both sides agreed to work together to rebuild their village.

To ensure that other members of the community understood and agreed with the outcome of the meeting, the CBR Community Facilitator met with a group of women to solicit their comments and suggestions. The women broke into noisy discussion accompanied by much laughter, visibly relieved and satisfied with the outcomes of the discussion. After more than 3 hours of discussion between village leaders and community members, the conflict had been resolved and people were once again talking about opportunities and the next day's work.

Participating in collaborative efforts to resolve conflicts in villages provides invaluable lessons for CBR Facilitators and communities. Leaders with strong conflict management skills will facilitate quick and equitable recovery, and ensure healthy relationships in their communities. Developing these skills and promoting their use in all communities participating in the CBR initiative will also promote relationships between communities and government officials that are based on trust and confidence—a relationship that provides opportunity for people to look forward and envision a shared future.

## **MILITARY REFORM IN POST-SOEHARTO INDONESIA**

*by Marcus Mietzner, DAI/Jakarta (28 April 2005)*

The recent discussion over the resumption of IMET and the debate over the role of TNI in the Aceh relief efforts have once again highlighted fundamental questions about the extent and quality of military reform in Indonesia since 1998. The opinions on this topic range from ‘nothing has fundamentally changed within the military since 1998’ to ‘TNI has conducted substantial reforms and has made huge steps towards being a professional defense force.’ In this presentation, I would like to take a step back from the day-to-day analysis of TNI politics, and try to compare the role of the military under the New Order with that under post-1998 administrations. This comparison will allow us to identify changes and lines of continuity between Soeharto’s military and the post-authoritarian armed forces.

Accordingly, the presentation will consist of three parts: first, it will discuss the level of military intervention under the New Order. It will then proceed to analyze the progress of military reform after Soeharto’s downfall in 1998. Third and finally, I will briefly outline how USAID’s civil-military relations program has contributed to the post-Soeharto reform efforts, and what can and should be done in the years to come.

### **Indonesia’s Military in the New Order**

The chaotic events of October 1965 allowed the army to gradually sideline then President Sukarno, and by the early 1970s, the armed forces had taken either control of, or established dominance over, the four major areas in which militaries traditionally seek to intervene: the political sector, the economy, military organisation and the socio-cultural arena.

In the political field, the armed forces were especially well entrenched in the executive branch of government. Supported by the doctrinal concept of *kekaryaan* (the secondment of officers in non-military posts), the military leadership filled the most senior positions of the regime. Soeharto controlled the administration as both head of state and head of government, and military officers held key cabinet posts, including the Departments of Defence and Security, Internal Affairs and the State Secretariat. Even in departments led by civilians, a military officer routinely held the post of secretary-general. In addition, generals also ‘usurped the top strata of the diplomatic and consular corps’. Military officers ran the national logistics board (the institution in charge of distributing basic food items such as rice) and controlled the government’s news agency. In the provinces, 80 percent of governors were officers, and an equally high percentage held positions as regents.

On the legislative side, 75 officers were delegated to Parliament, and more were appointed to the MPR. Military dominance of the national and regional legislatures was also exercised through the crucial role its officers played in the government's electoral machine Golkar, which won the 1971 elections with the help of massive military intervention and intimidation. Most importantly, Soeharto had a threefold grip over the legislatures: as supreme chairman of Golkar, he had the authority to select the party's parliamentary candidates; as head of the armed forces, he was authorised to exclude parliamentary nominees of both Golkar and the other parties for security reasons; and as head of state, he had the right to select representatives of functional groups for the MPR. The third branch of state administration, the judiciary, saw similar levels of military intrusion. The attorney general's office came quickly under military control, as did the courts, while the Police remained one of the four services of the armed forces. This allowed the military to maintain supremacy over all aspects of legal investigations and proceedings.

Political control was reinforced by increased participation in the economy. The intervention in economic affairs was an integral part of the Dual Function, which called on the armed forces to provide the necessary conditions for economic growth. Moreover, it delivered increased income opportunities for the military as an institution as well as its officer corps. Military officers had held senior management positions in several state enterprises since the late 1950s, but their number grew rapidly under the New Order. The national oil company Pertamina, for example, provided substantial contributions to the budget of the armed forces as well as to its military directors. The officers in charge of these business operations had, according to Richard Robison, 'now almost unlimited access to the resources and facilities of the state and power to influence allocation of import/export licenses, forestry concessions and state contracts.' This was particularly evident after the economy began to recover in the early 1970s, and foreign investment entered the country. The armed forces viewed the economic boom as a result of its political intervention and, as one officer put it, believed it had a legitimate claim on 'its share of the cake'.

The commercial involvement of the armed forces did not only impact heavily on the institutional standing of the military vis-à-vis other socio-political groups. It also changed the social profile of its officers, and created additional incentives for them to defend the praetorian regime. Military commanders, often coming from lower-middle class families, suddenly enjoyed the prospect of rapid social advancement. In fact, a successful career in the New Order officer corps virtually ensured entry into the most exclusive elite. Senior officers often owned several houses in elite compounds and luxury cars, travelled widely and sent their children to expensive universities abroad. Ibnu Sutowo, the army officer in charge of Pertamina, purchased Indonesia's first and only Rolls Royce in the early 1970s, symbolising the extent of self-enrichment within the officer corps. In later periods of the New Order, sponsors would provide officers with credit cards for use at their convenience, or accompany them on shopping trips to attend to their wishes and consolidate the relationship.

The increased economic powers of the armed forces also strengthened their organisational autonomy. The unprecedented flow of off-budget funds into the military allowed it to exercise a high degree of managerial autonomy, with unit commanders now also functioning as heads of rent-seeking foundations and cooperatives. Soeharto encouraged this trend, despite obvious fears that the armed forces might grow too independent from his executive control. Drawing from his own experience as regional commander in the late 1950s, he apparently believed that granting senior officers access to additional sources of funding would strengthen their loyalty towards him as the patron of the system that made such self-service possible.

The fourth arena of military intervention is in the socio-cultural sector. It is in this area that militaries typically face the most serious difficulties, and Indonesia's military was no exception. The early New Order regime was relatively tolerant towards expressions of criticism from the media and the arts, largely because different factions in the military were still using the press for their own purposes and Soeharto appeared anxious to avoid the impression of a military dictatorship. This changed, however, from the early 1970s onwards. The government established a system of tight censorship regulations for the media and cultural activities. The indoctrination of the New Order masses with officially sanctioned forms of artistic expression was successful on the surface, but did not manage to penetrate all segments of the cultural sector. Writers, painters, cartoonists, musicians and journalists continued their critical work, and some went to jail or suffered intimidation and social marginalisation. The majority, however, developed a highly sophisticated system of self-censorship, producing language and art forms that would be understood by the audience as being critical, but deliver no legal pretexts for the New Order apparatus to intervene.

The late New Order saw some significant changes to the role of the military in state affairs. In all four areas of traditional military intervention, the influence of ABRI declined. In the political arena, While in the early 1970s around 80 percent of the gubernatorial posts were held by active or retired military officers, that figure shrunk drastically to 40 percent by the late 1990s. Executive positions were increasingly filled by civilians whom Soeharto had integrated into the foundations of his regime: technocrats, Muslim leaders, technology experts, business executives, and Golkar politicians. In its relations with Soeharto, the military suffered a series of defeats, and was only rarely able to translate its crucial importance for the maintenance of the regime into concrete political gains. In the economic field, the armed forces had to surrender some of their privileges to businesses controlled by the Soeharto family and civilian entrepreneurs protected by the State Secretariat.

The most drastic reduction of military influence, however, occurred in the sector of its organisational autonomy. Soeharto, now a civilian with a complex web of political interests and support groups, had almost complete control over appointments and matters of internal management. The rapid rise of officers with links to the Soeharto family or a history of personal service at the palace created discontent within the corps. Many officers with outstanding professional qualifications felt that they had to make way for those with better political connections. Finally, in the socio-cultural sector, intellectuals and artists became increasingly critical. Censorship efforts and official bans only helped to catalyse the popularity of the prohibited book, paper, theatre play, cartoon or song.

The reduction of the military's intervention in the four areas mentioned above indicated a change in the character of the regime. The late New Order polity could no longer be described as a praetorian state. The armed forces did not have full control of the government as they had in the early period of the regime. In the traditional scheme of civil-military relations, Indonesia's armed forces in the 1990s played the role of participant-ruler. They supported the political interests of an increasingly sultanistic civilian leader, and received substantial political and economic concessions in return.



### **TNI in the Post-1998 Era**

Since the end of the authoritarian regime in 1998, Indonesia's armed forces have gone through tremendous political change. To begin with, the Indonesian armed forces after 1998 had to accept a drastic reduction of their participation in formal political institutions. Their representation in the national and local legislatures was reduced in 1999 and ultimately terminated in 2004. In addition, active officers were no longer allowed to hold cabinet posts and other key positions in the bureaucracy. There were, however, residual pockets of formal military engagement in political institutions. The Commander-in-Chief, for example, remained an ex-officio member of cabinet, giving him access to and influence on key policy decisions made by the government. Senior officers were also entitled to hold important positions in the Coordinating Ministry for Political and Security Affairs and the Department of Defence, entrenching them in political institutions concerned with military matters and obstructing the civilianisation of positions in the defence establishment. Moreover, military figures often started successful political careers after retirement. Although former officers were no longer subject to the orders of the Commander-in-Chief and pursued a wide variety of political interests and personal ambitions, they were widely viewed as representative of the armed forces and its core norms and values. Retired generals defended key governorships against civilian opponents and rival ex-officers, became leading executives in political parties and in 2004 gained a significant number of seats in the national and regional legislatures. The victory of Susilo Bambang Yudhoyono in the presidential elections of 2004 opened the door for many of his retired associates to take up posts in the new government. He appointed 5 ministers with military and police backgrounds, equalling the number of retired generals in the last Soeharto cabinet.

The character of military intervention in the economy also underwent substantial change after 1998. The large military conglomerates built up during thirty years of stable growth under the New Order suffered greatly in the economic crisis of 1997 and 1998, leading to a decline in revenues. In addition, many of the key Chinese entrepreneurs who had paid significant sums to the military as an institution and to its individual leaders experienced serious financial difficulties and had to suspend or reduce their contributions. Furthermore, the military now faced an increased number of competitors in one of its main commercial areas, the protection business. The police, security forces of political parties, ethnic and religious militias and criminal gangs became major players in providing 'security services' to businesses and entertainment venues, absorbing payments previously reserved for military officers. The reduced cash flow threatened the ability of the armed forces to maintain their practice of self-financing, forcing military leaders to intensify their more 'informal', and often questionable, business activities. Local officers engaged with bureaucrats in illegal logging and smuggling of goods ranging from sugar to luxury cars, and soldiers stationed in conflict areas profited from selling weapons, services in the transportation sector, commercial hostage taking and trading with drugs. In more institutional terms, senior officers rented out many of the vast military-owned properties to investors who subsequently used the land to build shopping malls and supermarkets. Finally, the military continued to profit from security payments from large companies that did not entrust their protection to less effective forces like the police or political militias. The US-based gold mining company Freeport McMoRan, for example, paid 5.6 million dollars to TNI in Papua in 2002 alone. Several other large gas and mining projects across the archipelago offered similar forms of compensation.

In managing its internal affairs, the military enjoyed a level of autonomy last seen in the 1970s. In the later periods of the New Order, many officers had objected to Soeharto's deep intervention



in military appointments despite the ongoing civilianisation of his regime. At the end of Megawati's term, by contrast, the armed forces had almost complete control over their personnel affairs. In addition, the military had successfully defended its territorial command structure against occasional attempts to reform it, allowing the officer corps to sustain its financial self-sufficiency. Largely independent from central budget allocations, the military was also able to escape more intensive scrutiny by the legislature. Staffed with politicians who lacked technical knowledge of military affairs but showed great interest in lobbying the armed forces for their support in political conflicts, the parliamentary commission on defence and security only rarely exercised its control function properly. As a result, the military was able to run operations like the campaign in Aceh largely without effective supervision by civilian authorities. The Department of Defence, for its part, did not establish meaningful mechanisms of civilian democratic control either. In the first 18 months of the post-authoritarian transition, the ministry was headed by Wiranto, who commanded the armed forces at the same time. Under Abdurrahman, the department was drawn into protracted political conflicts between the palace and the legislature, making it largely dysfunctional. During the Megawati presidency, finally, Minister of Defence Matori suffered a stroke after two lackluster years in office. The post was left vacant for 14 months, during which time the chiefs of the various services went on to procure expensive military hardware without the necessary approval of the ministry. During a hearing at Parliament, Commander-in-Chief Endriartono Sutarto joked that he was 'happy' not to have a Minister of Defence, and when a new chief of the department took office in October 2004, he warned him not to 'talk about issues related to the armed forces.'

The relationship of the armed forces with society, the cultural sector and the media also experienced an essential transformation after the 1998 regime change. The military faced unprecedented scrutiny by the press, with articles uncovering many of its human rights abuses since 1965. Civil society leaders launched sharp attacks on the armed forces and their unwillingness to support faster and more wide-ranging reforms. With the traditional instruments of intimidation and state-imposed censorship increasingly ineffective, officers had to adapt their public relations strategies to the requirements of an open democratic climate. In this respect, they used several approaches. First of all, they increasingly influenced journalists with financial inducements rather than threats of sanctions. Reporters who previously feared serious consequences if called in by central or local military units were now greeted with 'envelopes' containing money, encouraging them to 'improve' the quality of their coverage on TNI. In addition, officers also employed paid writers who published articles in influential papers that promoted the viewpoint of the armed forces or individual military leaders. They also began to 'groom' academics who were seen as important allies in propagating a positive image of the armed forces. Identifying young researchers with the potential of influencing societal opinions, generals would offer scholarships for further education or other forms of assistance. Moreover, the officer corps increased its cooperation with society groups that could be called upon to oppose public calls for legal investigations into past abuses or policy initiatives aimed at reducing the privileges of the armed forces. Human rights activists faced a relentless stream of protesters, often organised in groups featuring Islamic symbols and names, which called the military critics 'unpatriotic' and 'un-Islamic' for demanding accountability from particular officers. In short, the post-Soeharto military was forced to replace its traditional concept of social control with more modern practices of strategic communications.

The extent of military involvement in key socio-political sectors after 1998 points to the hybrid character of the changes that have occurred. In most cases, the armed forces were able to offset the reduction of privileges enjoyed under the Soeharto regime by adapting successfully to the norms

and procedures of the post-authoritarian polity. The loss of their legislative representation, for example, was compensated by the participation of numerous retired generals in electoral processes, capturing important executive posts as a result. In the economic sector, the decline of institutional military businesses led to an expansion of non-formal activities and enterprises. Furthermore, the increased scrutiny of civilian control institutions did not produce effective mechanisms of democratic oversight, but in fact allowed the armed forces to exercise greater autonomy than under the previous regime. Finally, the erosion of its social control network encouraged the officer corps to adopt new strategies to influence public opinion and defend its institutional interests. The reasons for this mixed record of civil-military reforms after 1998 are rooted in a combination of factors, relating to developments in both military politics and the civilian political sphere. The following sections will highlight four key explanations for the problems in reforming Indonesia's post-Soeharto military.

### **Historical Legacies**

The historical legacy of Indonesian military politics has created significant obstacles to the establishment of democratic control over the armed forces after 1998. Military officers have traditionally viewed the origin of the army in the country's war for independence as an eternal mandate for engagement in political affairs. They harbored a deep sense of entitlement and believed that it was their destiny to save the nation from alleged civilian ineptitude and threats to its territorial integrity. The formal abolition of the Dual Function in 2000 did little to change the mindset of the officer corps, with many of its members still convinced that only the armed forces were capable of defining and defending national interests beyond the self-absorbed interests of civilian groups. In addition to the ideological heritage evolved over decades of political dominance, the institutional structures developed in the early period of TNI's formation also left important legacies for the post-authoritarian system. First of all, the practice of military self-financing, begun in the guerilla war and maintained throughout the New Order, allowed the armed forces to operate independently from civilian control authorities. Civilian leaders of the post-Soeharto polity, emerging from a devastating economic crisis and overwhelmed by a myriad of other financial needs, were little inclined to embark on the huge task of bringing the military fully on budget and establishing control over its operations. Moreover, the army's territorial command system, which had entrenched the military in local politics as a virtual shadow government, provided the armed forces with a significant advantage over other political entities adapting to the new democratic framework. While political parties, regional legislatures and non-governmental organisations struggled to establish a presence in post-New Order local politics, the army could rely on its decades-old institutional base that reached down to the village level.

The fragmentation of key civilian forces formed an equally decisive legacy for the outcome of the civil-military transition after the end of Soeharto's rule. Far from exposing the 'unity of democratic purpose among civilian political elites' that Diamond and Plattner viewed as an essential precondition for achieving democratic control over the military, Indonesia's major societal groups have been engaged in long-standing rivalries. (Islamist vs secular, traditionalist vs modernist, centralist vs federalist, etc) These cleavages destabilised the democratic polity of the 1950s, and opened opportunities for the armed forces to justify and enforce their claim to a permanent political role. The inability of key civilian actors to define a common platform for democratic change assisted the New Order in prolonging its rule and had a profound impact on the character of regime change when an external economic shock caused the increasingly sultanistic system to collapse.

### **Intra-Systemic Regime Change**

Beside the importance of historical legacies, the character of the 1998 regime change has been a key factor in determining the quality and pace of post-Soeharto civil-military reforms. Power was transferred from Soeharto to his deputy within the institutional framework of the existing regime, resulting in a post-authoritarian government that consisted largely of politicians groomed by the fallen New Order. Unlike in other autocratic regimes, where oppositional forces often take power amidst the breakdown of the old system, Indonesia's non-regime groups were largely excluded from the immediate post-1998 government. This regime change arranged by main beneficiaries of Soeharto's patronage network not only allowed important elements of the old system to take charge of the post-authoritarian government and define its reform agenda. It also excluded the possibility of a transitional government that could have served as a platform for political cooperation between previously antagonistic societal groups. Without such an opportunity to overcome traditional differences, the cleavages that cut across the civilian political spectrum extended into the post-Soeharto polity. There, they caused significant problems for the stability of its governments and the establishment of effective control over the military.

### **The International Context**

In their studies on civil-military reforms in the post-authoritarian societies of Eastern Europe and Central Asia, Cottey, Edmunds and Forster concluded that the incentive to join important international organisations was 'by far the single greatest external factor' in removing opposition to structural change in the armed forces. The prospect of becoming a member of NATO or the European Union, with privileged access to development funds and soft loans, has succeeded in overcoming even the strongest objections from conservative generals to reforms of the military. NATO and the EU made it very clear that if candidates for membership did not adjust their mechanisms of military control to standards established by their organisations, no admission was possible. Faced with the potential loss of billions of dollars in aid and other forms of assistance, civilian governments forced their militaries to comply. Turkey, for example, which in the past had experienced levels of military participation in politics very similar to those of Indonesia, pressured its generals to accept substantial cuts to the privileges. In Indonesia, no such tools of international pressure were available. APEC and ASEAN, the two main multi-lateral associations in which Indonesia engages, are organisations that do not require their members to meet particular democratic standards. The IMF and the World Bank, on the other hand, missed the chance to use their extensive economic powers during the monetary crisis to demand more wide-ranging reforms of Indonesia's security sector. Prioritising changes in economic policy and the restructuring of the banking system, IMF and World Bank officials did not view military reform as a matter of immediate urgency. Although they later began to raise the issue as an important instrument to reduce corruption and remove obstacles to further investment, by 2003 the IMF's emergency loan program had been largely phased out and the window of opportunity had closed.

Other developments in international relations had an equally mixed impact on Indonesia's civil-military relations. In general terms, the post-Cold War constellation had made it more difficult for militaries to grab power from civilian governments without risking international isolation. There was an instinctive feeling within the Indonesian officer corps that simply overthrowing the civilian post-1998 government was not an option, and the fear of international sanctions was partly responsible for that. Geo-strategic changes after 2001, however, eroded the deterrent of

international consequences in the case of military coups. When Pervez Musharraf seized power in Pakistan in 1999, international powers initially implemented sanctions and demanded the immediate return to the democratic system. After the terrorist attacks of September 11<sup>th</sup>, however, Musharraf was courted as an important ally in the fight against Islamic radicalism in Asia. Today, Musharraf is still concurrently Pakistan's President and commander of the army, despite earlier promises to give up his position in the military. Indonesian officers followed such developments with great interest, and learnt that defaulting on reform benchmarks did not necessarily cause negative reactions from the international community (i.e. in the case of East Timor). In addition, the Indonesian armed forces moved to reduce its dependence on military hardware from the US. Similar to the shift in the early 1960s, when the military leadership increasingly purchased equipment from the Soviet Union instead of the US, the post-Soeharto top brass began to buy ships, helicopters and jets from Russia, Europe and South Korea. At the end of the Megawati government, the armed forces felt self-confident enough to reject international pressure for further military reform as inappropriate and not worthy of serious consideration.

### **Institutional Factors**

In the area of institutional change, Indonesia has taken some important steps forward, but has failed to revamp the structural base of TNI's power. Most of the institutions necessary to establish democratic control over the armed forces were created and equipped with formal powers to carry out their duties. The legislature was strengthened and tasked with exercising oversight over the military, the Department of Defence was restructured and received additional authority over TNI Headquarters, the Police were separated from the armed forces and a variety of societal 'watch dogs' scrutinised the operations and personal track records of officers. These structural reforms did not result in effective control, however. In addition to a multitude of internal problems ranging from lack of expertise to insufficient resources, efforts to subordinate the military to the newly created or reformed bodies were hampered by the omission of the two most important institutional reform targets: the military's finances and the army's territorial command structure. The military was largely allowed to maintain its financial independence from the central government and to use its territorial network to tap into economic resources in the regions. With this, the other institutional reform measures, as courageous and wide-ranging they may have been, could not fulfil the hopes initially put in them.

The application of the four explanatory criteria outlined above (historical legacy, character of regime change, international context and institutional factors) to the case of Indonesia produces a mixed picture of the country's progress in its efforts to establish democratic control over the armed forces. In a comparative scheme developed by King's College researchers, Indonesia has stagnated in the first generation of civil-military reforms, and has failed to initiate second-generation changes. The development of a new institutional framework appeared to be heading in a promising direction after the civilian government and rapid reformers in the armed forces moved in 2000 to revamp the army's territorial command system and, closely related to this, the military's financing system. The plans collapsed, however, amidst protracted conflicts between civilian forces over political hegemony and economic resources, bringing the military reform process to a halt and consolidating the position of officers opposed to further change. With the most important areas of institutional change excluded from the first-generation agenda, the second generation of reforms had no realistic chance of succeeding. It remains to be seen if the government of Susilo Bambang Yudhoyono will be able to give new impulses to the project of reforming the armed forces and subordinate them firmly to civilian control. His support for the

maintenance of the territorial command structure and his rejection of ideas to place TNI under the direct control of the Department of Defence suggest, however, that any further progress in military reform will be slow and tortuous.

### **USAID's Civil-Military Relations Program since 1998**

USAID has addressed the issue of military reform by its Civil-Military Reform Program since 1998. Run by OTI until 2002, it has since then been handed over to the Mission and is currently managed under DAI's Support for Peaceful Democratization Project. The Program has largely focused on three main areas:

**1. Drafting of defense-related legislation.** During the New Order, the military's dominant position in politics, society and business had been anchored through an extensive network of legislation. Dismantling this dominant position required new legislation and a new institutional framework. In early 2002, the draft bill on State Defense developed by a USAID-funded team of civilian-military experts organized by the civil society organization *Propatria* was passed into legislation after intensive discussions between TNI Headquarters, Parliament and the Department of Defense. The bill established mechanisms for civilian oversight of the armed forces, including control of the military's budget. In addition, USAID partners helped draft the Police Bill, the Anti-Terrorism Bill and the package of Political Bills, and developed concepts for Presidential Decrees on the National Security Council and Military Assistance to the Police. USAID Partners were also responsible for many of the positive last-minute changes to the TNI Bill in October 2004. Currently, *Propatria* is working under a USAID grant on revisions to the Defense Bill that would place TNI Headquarters under the Department of Defense.

**2. Increasing transparency of military financing.** Strengthening civilian oversight capacity is one of the key elements in USAID's civil-military relations program. Control of the military is based on the control of its budget. Accordingly, USAID has encouraged its partners to work with Parliament, the State Auditing Board and other government agencies on improving the capacity of these institutions in controlling the military budget. The current Minister of Defense, Juwono Sudarsono, has pledged to bring all military businesses under state control within 5 years (as mandated by the TNI Law), and has asked civil society groups for input and assistance. The Minister himself has participated in previous USAID-sponsored events on military financing, and has asked our partners to re-launch the initiative.

**3. Monitoring of human rights trials.** Legal accountability of the security forces is one of the most important elements of democratic civil-military relations. Indonesia's military has so far operated under circumstances of almost complete impunity, but since 2002, there have been efforts to introduce at least some extent of accountability. Officers accused of involvement in the 1999 events in East Timor and the 1984 shooting of demonstrators in Tanjung Priok were put before human rights trials, exposing them to unprecedented public scrutiny. USAID supported a civil society group to monitor the trials, supplying judges, prosecutors and the media with information and analysis. The outcome of the trials was largely disappointing, with most officers acquitted, but the procedures have instilled a sense of exposure in the minds of military leaders. USAID should remain committed to supporting future trials by allowing civil society groups to campaign for the proceedings to be held in a fair, open, transparent and professional manner.



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## Reforming Civil-Military Relations

USAID initiatives since 1999 to build civil-military relations have achieved noteworthy results, particularly in the drafting of defense-related legislation, the monitoring of trials against military officers accused of human rights violations, and advocating for transparency of the military budget. USAID can build on these successes by supporting initiatives for further military reform under the Susilo government. The current Minister of Defense (MoD), Juwono Sudarsono, has launched a number of proposals that, if implemented, could constitute important steps forward in the reform process. This presents USAID with significant opportunities in three main areas:

**1. Drafting of defense-related legislation.** The MoD has proposed to revise the State Defense Law of 2002, aiming to create new regulations that would subordinate TNI Headquarters to the Department of Defense (DoD). In this context, Juwono has asked civil society groups to provide him with draft proposals on the planned revisions. Among the groups contacted by Juwono is a team of civilian military experts organized by the think-tank Propatria. In response, USAID has extended a grant Propatria for developing its draft on the revisions, which will be submitted to the DoD for further deliberation. Like previous drafting processes, these deliberations could last for several years, requiring Propatria to seek continued programmatic and logistical support. Propatria has been a trusted USAID partner since 2000, producing a number of bills in the security sector and providing the Mission and the Embassy with reliable inside information and analysis. (The current grant is valued at \$50,000; an additional \$200,000 is needed to sustain the activities of the group for the next 12 months).

**2. Increasing the transparency of military financing.** Juwono has also pledged to bring all military businesses under state control within 5 years (as mandated by the TNI Law), but seems to have no clear plan for achieving this goal. He will need assistance from economists, legal experts and business professionals to design a comprehensive blueprint for the transfer. USAID has worked with several groups on military financing issues in the past, and the Minister himself participated in the events held under those grants. USAID could support the establishment of a working group on the transfer of military businesses that could produce a detailed plan and timetable for consideration by the DoD. (Estimated funding level for 12 months is \$260,000).

**3. Capacity building for civilian defense officials.** Civilians working in the defense sector are often lacking the technical skills required to fulfill their duties. USAID could support training initiatives for members of Commission I of the Parliament, which is responsible for defense matters. Training courses could focus on developing expertise in budget oversight, defense management and strategic planning. Other decision-makers in the defense sector in need of training include civilian officials at the DoD. USAID's Indonesian partners have extensive experience in these and other relevant areas, with many potential trainers educated in defense studies at universities abroad. (Estimated funding level for 12 months is \$260,000).



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## Local Elections Brief

### Central Sulawesi: USAID Program Impact

USAID awarded nine grants in three districts – Toli Toli, Poso and Tojo Una Una – in the run-up to the Bupati elections. The grants valued at over \$180,000 and awarded to local CSOs and election administration bodies focused on improving electoral services (e.g. distribution of logistics) and increasing community participation in political processes. Despite some election related violence and unrest, significant measurable impacts were achieved and valuable lessons learned.

#### Impacts

**Yayasan Toloka**, a USAID supported CSO in the new District of Tojo Una Una, implemented voter education and awareness programs in areas deemed likely to encounter campaign and Election Day irregularities. Toloka learned that large numbers of would-be voters had not been registered and had not received ‘invitations’ to vote. On June 28, two days before the election, Toloka met with KPUD and Panwas representatives to discuss these issues and agreed to make a public radio announcement on **Radio Maleo**, another USAID grantee. Certain candidates thought that the announcement was inappropriate and brought the matter back to the KPUD who, after meeting with local parliament, decided to allow more than 500 unregistered voters to register and vote on Election Day.

Recognizing that **Panwas-Tojo Una Una**, and **KPUD** and **Panwas-Poso** were severely under-funded and unable to fulfill their electoral duties, USAID provided over \$80,000 in operational assistance - vehicles, boats, radio and office equipment. With USAID support the two agencies were able to fill logistical gaps, distribute materials on time and administer the elections as scheduled. In the District of Toli Toli, where USAID was unable to engage local electoral bodies, the election was delayed for two weeks due to poor logistical preparations.

**PBHR**, a legal aid foundation with extensive election observation and voter education experience, partnered with USAID to create critical awareness among voters in the District of Toli Toli. A few days before the election none of the voter ‘invitations’ had been distributed and only 50% had been printed; and there were serious inaccuracies with voter lists. Having developed good relations with KPUD, Panwas and all campaign teams, PBHR was able to bring these issues to the fore. In response, the KPUD decided to ask for a two-week delay of the elections (until July 14) to complete voter registration and other election preparations.

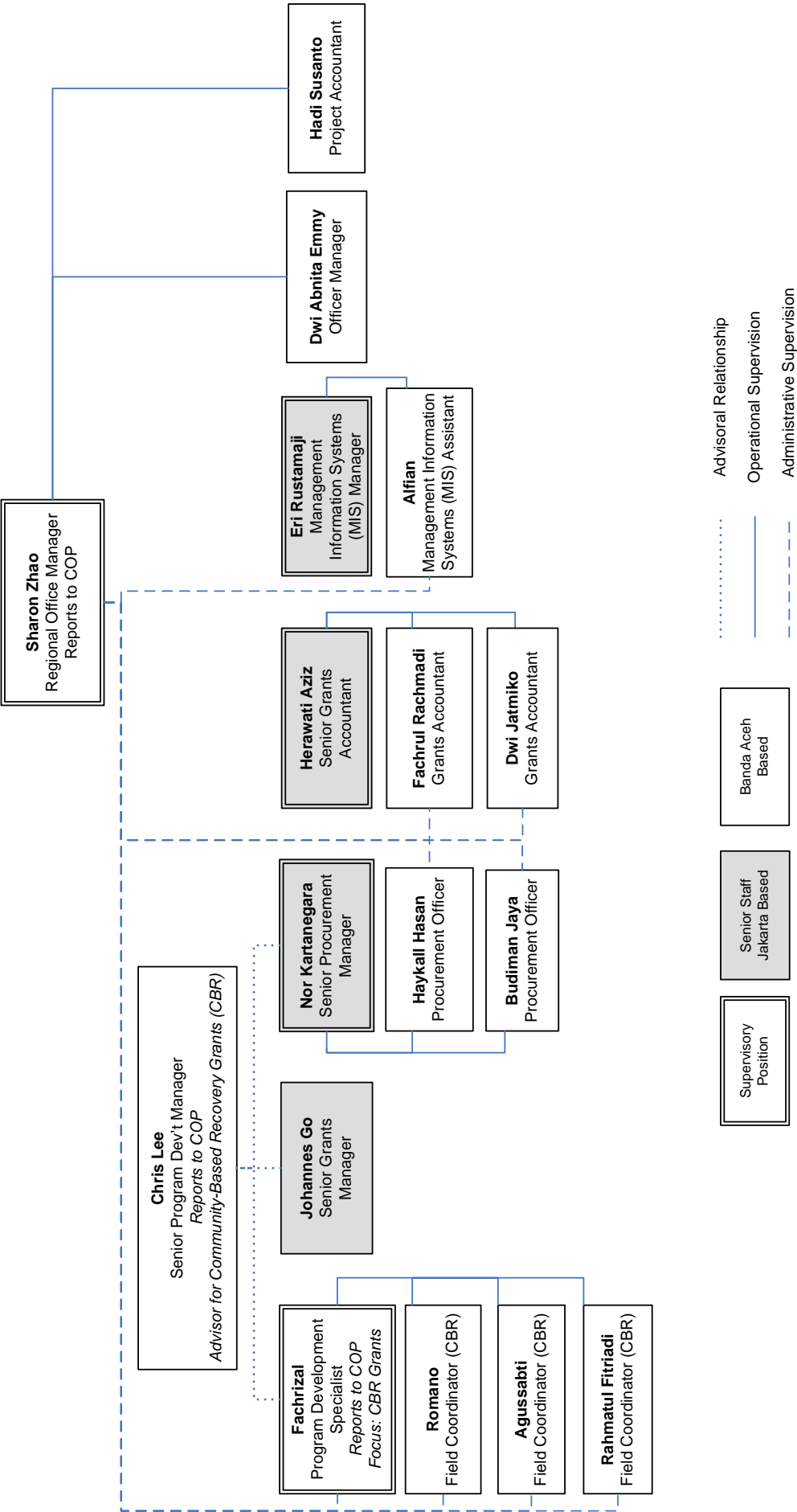
#### Lessons Learned

USAID/DAI’s *pilkada* programs were positive contributions to the election process in Central Sulawesi, despite being initiated only six weeks prior to Election Day. During program implementation several important lessons were learned.

1. Filling logistical gaps for KPUD and Panwas was an important endeavor and can be done in a short period of time due to the professionalism of DAIs procurement staff. Yet, unnecessary delays in procurement can be avoided given more time for program implementation.
2. The Central Sulawesi *pilkada* program engaged two KPUDs, one Panwas and six CSOs in three electoral districts. Engaging more KPUD and Panwas offices, and awarding fewer, more focused grant awards to local CSOs would allow for more effective program implementation and monitoring.
3. Given available funds, USAID/DAI could develop a more comprehensive strategy incorporating clear short- to long-term conflict prevention goals – financial auditing of KPUD budgets and campaign team finances, for example.

USAID Support for Peaceful Democratization Program (SPD)—DAI Banda Aceh Staffing Plan

June 2005 – 37 Total Employee Profile (13 Based in Banda Aceh)







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February 15, 2005  
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## FIELD REPORT

### Aceh Earthquake and Tsunami Disaster Response

The December 26, 2004 earthquake and ensuing tsunami waves devastated much of the coastal regions of Aceh and North Sumatra Provinces and caused great human suffering. The magnitude of the disaster led to an unprecedented humanitarian response. USAID was in a unique position to spearhead the USG emergency relief effort, having over five years of experience working in the region with an extensive network of local partners. Immediately after the disaster, USAID contacted partners with expertise in emergency response and capacity to act quickly, and held a planning and coordination meeting to establish good lines of communication between local and international organizations and to discuss strategies to implement an effective and rapid response program. As a result, six grants valued at more than \$855,000 were awarded between December 29 and January 3 to local and International NGOs to jump-start relief efforts.

Since these initial awards, USAID has continued to play an important role in developing and funding short-term recovery initiatives, and in facilitating Acehnese civil society responses to the disaster. Working with local and international partners, USAID has supported projects to address unmet needs and fill gaps in the relief response. Mobile health clinics, and maternal and child health programs were supported to address immediate needs in most-affected areas. Funding was provided for water and sanitation projects in camps for displaced persons in the heavily damaged capital city of Banda Aceh, where scores of persons were left homeless and traumatized.

As immediate relief needs became fully met, USAID focused its resources on developing cash-for-work and micro-enterprise activities to provide employment to disaster-affected persons and stimulate local economies. A total of 43 grants valued at \$4.6 million were awarded to local and international partners, including 23 awards for \$3.42 million that focused solely on cash-for-work rehabilitation of social and economic infrastructure (schools, roads, markets); 62 percent of these funds will go directly to persons affected by the disaster. Workers engaged in these activities are being paid an average \$4 per day, or \$90 per month, for their labor. While international partners received the majority of cash-for-work program funding, they also contributed large amounts of their own internal funds to these activities—more than \$1 million, used to cover their operations expenses. Nearly 70 percent of USAID funding to international organizations will be paid to workers.

#### USAID Social and Economic Infrastructure Rehabilitation Cash-for-Work Grants

##### Planned Beneficiaries and Outputs

	Grant Awards	Total Value	Beneficiaries (workers)	Total Beneficiaries (3 persons/worker)	Person-days Labor	Total Cash to Workers
International Partners	11	\$2,544,436	16,758	50,274	437,328	\$1,751,139
Local Partners	12	\$876,730	7,866	23,598	95,366	\$373,644
<b>Total</b>	<b>23</b>	<b>\$3,421,186</b>	<b>24,624</b>	<b>73,872</b>	<b>532,694</b>	<b>\$2,124,783</b>

As these projects are implemented and move to completion, and Aceh begins to address mid-term recovery requirements, USAID will become increasingly engaged with local communities, civil society organizations and government agencies to assess and respond to opportunities as they arise. Importantly, mid-term strategies will aim to help all segments of Acehnese society participate fully in planning, implementing and monitoring recovery programs.

### **Future Directions**

The magnitude of the disaster and the large international response to it presents opportunity to mend relations and increase cooperation between national and provincial governments, and between local governments and communities. Indeed, the new administration has voiced commitment to meaningful inclusion of the Acehnese in planning the overall recovery program and to resolving the long-running conflict in the province. Local government bodies and civil society will look to the donor community to support their efforts to plan and implement recovery initiatives, address conditions that led to disputes and build foundations for peaceful resolution of future disputes.

Using participatory processes, USAID will work with local leaders and organizations to formulate and implement recovery programs that lead quickly to substantial and sustainable improvement in livelihoods in target communities and which aim to break long-standing cycles of hostile interaction. Three principles will guide future programming:

- ***Ensuring Acehnese Participation in All Aspects of the Recovery Process.*** Meaningful participation will help ensure that the recovery process addresses local concerns and aspirations, meets local needs, and that its outputs are sustainable. Participation will also empower local communities to assume ownership of the recovery process, thereby encouraging local leadership to efficiently manage recovery resources.
- ***Encouraging Community-Government Partnership in the Recovery Process.*** Full recovery from the devastation caused by the earthquake and tsunami is beyond the capacity of any sector of society acting alone. Strong partnerships are required between local communities and government agencies at all levels. They are critical for quick and effective recovery, and, importantly, offer opportunity for building trust and confidence between communities and government. Positive partnership and engagement can transform relations at the local level, currently characterized by deep-rooted animosity, fear and negative stereotyping.
- ***Achieving Measurable Livelihood Improvement in Disaster-Affected Communities.*** Sustainable recovery of livelihoods is of paramount importance. Activities, entitlements and assets by which people make a living require substantial rebuilding in affected communities. This includes the rehabilitation or building of new schools, health clinics and markets; supporting family, community and social networks; and enhancing old and developing new economic opportunities. Well designed and coordinated action is required now to ensure that affected communities do not become dependent upon government and international aid.



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## FIELD REPORT

### The Tsunami, Military Reform and Civil Society in Aceh

The tsunami that devastated the coasts of Aceh in late December 2004 not only had a tremendous impact on local communities in the conflict-ridden province, but left its mark on national politics as well. One policy sector that was keenly affected was that of civil-military relations. The disaster exposed structural weaknesses of Indonesia's military, opened a previously heavily controlled region to international scrutiny and sparked renewed peace negotiations with the separatist movement GAM – something most TNI officers opposed. On the other hand, the collapse of civilian administrations in much of Aceh also provided the military with an opportunity to strengthen its grip on many areas outside of the capital Banda Aceh, the operation center for the humanitarian response.

#### The Tsunami and Military Reform

In the first month after the disaster, institutional deficiencies of Indonesia's armed forces became strikingly evident. Designed as a "people's army" that relies on tactics of mass mobilization rather than on high-tech equipment, TNI was incapable of providing food, medicine and other humanitarian support to tsunami-affected communities. Unlike its Indian, Sri Lankan and Thai counterparts, the Indonesian military was completely overwhelmed by the task of establishing a basic post-tsunami logistics network. Guided by its land-based territorial doctrine, TNI had for decades neglected its air force and navy. In seconds, the tsunami revealed the outdated, ineffective and unsustainable elements of Indonesia's military system.

Critics had pointed to these weaknesses for some time. After 1998, pro-reform military observers demanded that TNI modernize its doctrine and organizational structure. The traditional territorial approach, developed and institutionalized in the 1950s, had facilitated the military's involvement in economic and political affairs, but was ill prepared for the challenges of modern defense management. The critics argued that resources used to maintain TNI's infrastructure in the regions should be concentrated to develop Indonesia's armed forces as a modern military with rapid deployment facilities and multi-service bases. Such a concept would not only remove TNI from its problematic involvement in illicit fund-raising activities, but also allow it to respond more professionally to security crises.

Lack of financial resources and political will have been the biggest impediments to reforming TNI since 1998. Amidst pressing economic concerns, the restructuring of the armed forces was not seen as an immediate priority. The extent of the recent catastrophe, and the capacity deficit highlighted by TNI's response to it, has triggered new debates, however. President Yudhoyono has publicly acknowledged that the military has to review its strategic priorities, and has called for the strengthening of the air force and navy in particular. His remarks have opened the door for more detailed discussion on comprehensive reform of the armed forces. Since 1998, USAID has supported efforts for the de-politicization, modernization and professionalization of the armed forces. In light of the newest developments, USAID's partner organizations have developed new

initiatives for promoting military reform, something that USAID can play an important role in supporting.

### **The Tsunami and Civil Society in Aceh**

The inability of the Indonesian armed forces to address urgent logistical issues in the disaster areas has allowed for an unprecedented level of international military presence in Aceh, ending the isolation of the province after eighteen months of intensive TNI campaigns against the separatist rebels. The internationalization of Banda Aceh, coinciding with the breakdown of the provincial bureaucracy, opened up what had been a society under strict surveillance by security forces and government agencies. International NGOs have set up offices in the city, government critics who had moved to Jakarta have returned, and the media has been reporting freely on a wide range of issues. Peace negotiations with the rebels have resumed, and the appointment of former President Clinton as the UN's special envoy for the tsunami-affected areas is likely to keep Banda Aceh in the international spotlight for some time.

The revitalization of civil society in post-tsunami Banda Aceh carries considerable risks, however. The military has expressed discontent with the unrestricted activities of NGOs, with only the strong international presence preventing TNI from cracking down on increasingly vocal civil society figures. One prominent NGO activist has already been severely beaten by military officers over a dispute related to the distribution of humanitarian assistance stored in TNI warehouses. The incident revealed some of the frustration within the officer corps about the loss of their previous complete control of social life in Aceh, and potentially forebodes more restrictive policies once international NGOs and foreign governments reduce their presence.

The extent to which TNI would like to regain control over Aceh's social and political life is clearly demonstrated outside of the capital. In Melauboh, Calang and other areas devastated by the tsunami, local military commanders have established de facto executive authority, sidelining civilian officials and the institutions they represent. While TNI's stress on territorial presence rather than modern equipment made it impossible for the army to respond quickly to the disaster, it allowed military officers to position themselves in the center of the relief efforts once aid goods reached areas they controlled. Maintaining lists of foreigners active in their districts, and claiming sole responsibility for the aid operations, these commanders have introduced tight regimes that appear to bestow even more power on TNI officers than under the pre-tsunami military campaign. The scarcity of NGOs in such areas is another element that has encouraged local TNI leaders to expand their authority.

### **Future Directions**

In order to anticipate the possibility of a repressive backlash in Aceh, two issues appear to be of particular importance. First, in the near-term, Acehnese civil society needs to be rebuilt and strengthened. Using international resources and support presently available, NGOs must be rehabilitated and empowered to confront a potential revival of restrictive state policies in the near future.

Looking at longer-term needs, it remains essential to support efforts to restructure Indonesia's military, working towards a professional defense force sufficiently equipped, funded and controlled by the state. This will require replacing the outdated system of territorial defense with a mobile, multi-service force capable of deploying troops and supplies quickly to crises spots.



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## FIELD REPORT

### Aceh Earthquake and Tsunami Disaster Response From Relief to Recovery

The December 26, 2004 earthquake and tsunami waves devastated much of the coastline populations and infrastructure of Aceh and North Sumatra Provinces. USAID has played an important role in developing and funding short-term relief and recovery initiatives, and in facilitating Acehese civil society responses to the disaster. Working with local and international partners, has funded 106 initiatives valued at \$7.6 million that have benefited more than 387,000 persons.

In the first three months following the disaster, USAID has focused much of its resources on developing cash-for-work and micro-enterprise activities to generate employment for disaster-affected persons and stimulate local economies. A total of 30 grants valued at more than \$3.8 million were awarded to local and international partners that focused solely on cash-for-work rehabilitation of social and economic infrastructure (schools, roads, markets); 55 percent of these funds went directly to persons affected by the disaster. Workers engaged in these activities were paid an average \$4 per day, or \$90 per month, for their labor. While international partners received the majority of cash-for-work program funding, they also contributed large amounts of their own internal funds to these activities—more than \$1 million, used to cover their operations expenses. 66 percent of USAID funding to international organizations went directly to IDPs employed by these programs.

#### USAID Social and Economic Infrastructure Rehabilitation Cash-for-Work Grants

##### Planned Beneficiaries and Outputs

	Grant Awards	Total Value	Beneficiaries (workers)	Total Beneficiaries (3 persons/worker)	Person-days Labor	Total Cash to Workers
International Partners	11	\$2,542,319	16,016	48,048	397,452	\$1,684,894
Local Partners	19	\$1,265,485	12,611	37,833	111,431	\$425,411
<b>Total</b>	<b>30</b>	<b>\$3,807,804</b>	<b>28,627</b>	<b>85,881</b>	<b>508,883</b>	<b>\$2,110,305</b>

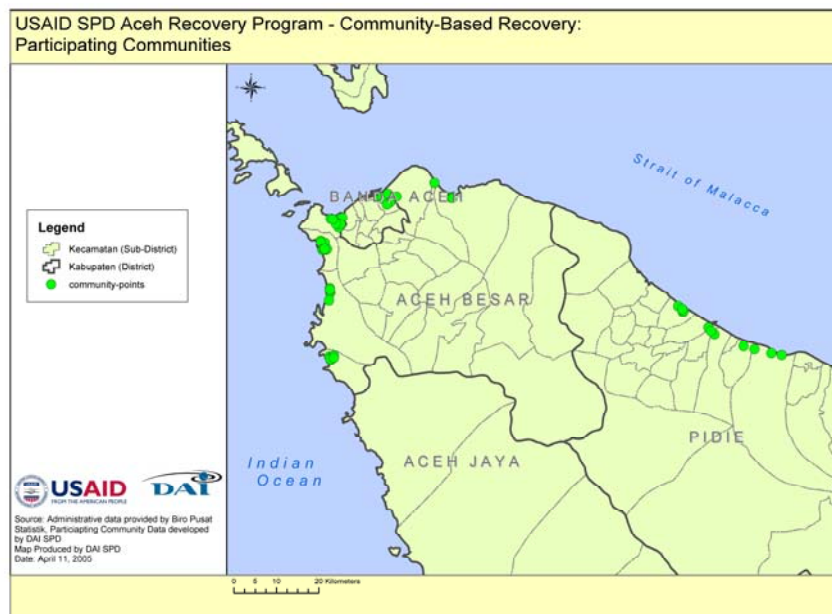
As immediate relief activities move to completion, USAID has begun to address mid-term recovery needs. Assistance is being provided to provincial government offices and facilities directly affected by the disaster to help reestablish essential services to communities across the province. USAID is supporting 12 initiatives valued at \$733,000 that will quickly install a basic package of furniture and equipment in key government departments and municipality offices, including the Social Department, BAPPEDA (Regional Planning Board), the Department of Industry and Trade, the Department of Cities and Villages, the Department of Health, the Department of Education and the National Land Agency. This work is being designed and implemented in cooperation with other USAID SO teams, who will focus on developing human resource capacity in these same government agencies.

Direct support to disaster affected communities is another key area of USAID's recovery work. USAID's strategy for this work, called the Community-Based Recovery Initiative (CBR), focuses on strengthening civil society at the village level through efforts to rehabilitate and rebuild communities affected by the tsunami. The strategy comprises three key elements: ensuring community participation in all aspects of the recovery process; encouraging partnership between communities and local government in this endeavor; and achieving measurable livelihood improvement.

CBR aims to empower civil society by building their capacity and capability to determine, plan, implement and manage the rehabilitation of their communities effectively and efficiently. Recognizing the environment in Aceh, and the SPD Program mandate to develop sustainable capacity for building peace and resolving conflict, CBR will ensure that its initiatives do "double duty"—that is, empower civil society through recovery initiatives that lead to measurable improvement in target communities *and* build foundations for the peaceful resolution of disputes. The major results (outputs) of the program include:

- Substantial and sustainable improvement in livelihoods in target communities;
- Good governance practiced and nurtured in target communities; and
- A process for integrated, community-driven recovery and development that can be adopted and adapted in other areas of Aceh.

Fifty-three communities—having a total population of more than 32,000 persons (about 8 percent of the estimated total affected-population)—are currently participating in this initiative. USAID has awarded grants valued at nearly \$1.5 million to these communities to support short-term employment generation, mainly using cash-for-work methods to clean villages, remove debris from rice fields and irrigation canals, construct community meeting and activity centers, and build facilities for children and youth activities (e.g., sports facilities). While these activities will provide income and employment opportunities, they will also build hope for a better future and provide a foundation for subsequent activities in these and other communities.





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### **National Issues: Progress towards a Truth and Reconciliation Commission and Civilian Control of the Military**

Developments at the center, as far as Indonesia's conflict resolution capacities are concerned, have recently taken small steps forward. Progress has been made with the establishment of the selection committee to form the long-awaited Truth and Reconciliation Commission, which will be charged with settling many of the country's unresolved human rights abuse cases. Also, efforts have been undertaken to proceed with the structural reform of the military and, in particular, remove the armed forces from the business sector.

On 28 March, President Susilo Bambang Yudhoyono issued a decree to appoint the selection committee tasked with nominating candidates for the Truth and Reconciliation Commission. The committee will work for approximately two months to select 42 candidates, 21 of which will be appointed by the President to become members of the Commission.

The composition of the Commission will, to a large extent, determine the quality of its operations. Active members of the military and police have been excluded from the list of potential candidates, but there are no stipulations barring retired officers from seeking membership in the Commission. As the Commission will largely focus on abuses committed by security forces, the inclusion of retired officers could have obstructive effects on its work.

Civil society groups have been critical of the fact that some members of the selection committee are civil servants and therefore represent the interests of the state. The coming weeks will show if such concerns are justified, or whether the selection team, which includes the well respected human rights lawyer Bambang Widjojanto, will be able to select a credible pool of candidates.

At the same time, the Department of Defence has continued its efforts of strengthening its control over the armed forces. Minister Juwono Sudarsono has dismissed several retired officers from key positions in his department, and has moved to appoint at least a few civilians. He also has issued a new decree that empowers the department to take charge of all procurement activities related to the armed forces. Furthermore, he has pledged to come up with new legislation that will place the armed forces firmly under the control of the Department of Defense. SPD is currently supporting civilian defense experts to work toward that goal.

Responding to Juwono's initiatives to improve the military's budget transparency, TNI Commander-in-Chief Endriartono Sutarto announced on 12 April that the armed forces would divest its business interests in the next two years. The TNI Act passed in 2004 had mandated the government to take over military businesses by 2009, but Endriartono has pushed for divestment by 2007. While it remains to be seen how serious TNI will be in implementing the decree, its commitment to proceed with divestment is a positive development. Many of SPD's partners have for years campaigned for better transparency of the military budget, and SPD will closely observe developments and support related activities if opportunities arise.





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## FIELD REPORT

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### Local Elections in Central Sulawesi

Central Sulawesi has experienced relative calm over the last two years despite ongoing corruption trials linked to the misuse of regional funds (APBD) meant to support IDPs from the Kalimantan, Maluku and Poso conflicts. The May 28 bomb blasts in the central market of Tentena and two bomb scares in Poso (June 28 and 29) prior to the local elections, failed to incite inter-communal conflict. The fact that violence did not erupt during the campaign period and the Bupati elections were administered smoothly regardless of institutional weaknesses at the KPU and Panwasda levels is a reflection of the communities' interest in keeping the peace.

In Poso, however, accusations of money politics and fraudulent campaign practices on the part of the Piet Ingkiriwang-Abdul Muhtalib pairing resulted in several days of protests by losing candidates and their supporters. In Tojo Una Una, losing pairs asked KPU and Panwasda to investigate charges of fraud by the winning pair of Damzik Ladjalani-Ridwan Dj Saru. In both districts, Panwasda and KPU have asked for all campaign finance materials from the candidates and have investigated charges of misconduct. The situation is tense but has not erupted into violent conflict. USAID partners in these areas continue to monitor the situation and provide daily updates.

USAID programs in the region were aimed at increasing the capacity of local government to administer local elections, and supporting communities' participation in the electoral process through education and awareness campaigns. Providing logistical support to local KPU and Panwasda offices encouraged responsible electoral services and timely logistics distribution and encouraged a conducive political environment. USAID partner institutions' educated and empowered local community political activism in order to decrease misinformation and potential conflict.

USAID awarded nine grants, with an estimated value of \$180,000, to local CSOs and election administration agencies in three districts of Central Sulawesi – Tojo Una Una, Poso and Toli Toli. Below are brief descriptions of these programs.

#### **Kabupaten Tojo Una Una (*Election held on June 30, 2005*)**

**Yayasan Toloka** is conducting a voter education and peace campaign in 17 villages, and has funded a dialogue between candidates in Ampana City, the capital of the new district, Tojo Una Una. Toloka has also established information centers in four sub-districts to provide information and process observations and complaints regarding campaigning, voting and vote counting.

Although unable to register as accredited observers due to KPU regulations, Toloka's role during the election process has not been undermined. Due to their local network and proactive stance, Toloka, with the assistance of another grantee, Radio Maleo (see below), were able to pressure Panwasda, KPU and the DPRD to allow an estimated 500 unregistered voters to register on the day of the vote.

**PT Suara Maleo**, an independent radio outfit serving Tojo Una Una, based in Ampana City, has coordinating with KPU, Panwasda, candidates and observer groups to organize political talk shows



and dialogues. In order to enhance the station's range of broadcasting, professionalism and listening audience, USAID provided Radio Maleo with multi-media build-up computers, a Marantz tape recorder, and other basic office equipment.

**KPPA**, a women's and children's rights organization based in Palu, is conducting a voter education campaign in coordination with their CSO partners in the Tojo Una Una district. The program is specifically focused on increasing the political awareness and empowerment of women in three sub-districts. Through discussions in fifteen villages ("Political Education of Women Voters") prior to and after the elections, KPPA is supporting increased involvement of women in the political process and bring gender-specific issues to the table. KPPA has fielded a small number of unofficial election observers who will report their findings and publicize a report. KPPA is also conducting a "Fair, Clean and Democratic" campaign through talk radio and interactive TVRI shows.

**Panwasda-Tojo Una Una** needed operational and logistical support to perform monitoring and reporting duties. In response to their request for assistance, USAID rented SSB radios, walkie-talkies, vehicles, motorcycles, a speed boat and basic office equipment.

**Kabupaten Poso (*Election held on June 30, 2005*)**

**KPKP-ST**, a women's rights group, is conducting a voter education and peace campaign, training election observers and advocating for better cooperation between KPU, Panwasda and CSOs in four sub-districts of Poso District. Their goal is to:

- Create critical awareness of the electoral process and publicize candidate platforms;
- Support the active participation of civil society in the electoral process;
- Push for the establishment of good cooperation and coordination between observer groups, KPU and Panwasda; and,
- Increase the ability of civil society to act as critical observers of electoral processes.

**LPS HAM**, a human rights and legal advocacy group based in Palu but with an extensive network in Poso, is implementing a comprehensive voter education and peace campaign in six sub-districts of Poso District by:

- Creating public awareness of the candidates' platforms;
- Empowering civil society vis-à-vis electoral processes and in conflict prevention mechanisms; and,
- Advocating for better cooperation and coordination between all stakeholders in the electoral process.

**Panwasda** and **KPU-Poso** received significant logistical and operational support in the form of SSB radios, walkie-talkies, vehicles, motorcycles, and basic office equipment. This assistance enabled KPU to distribute logistics (e.g. ballots, ballot boxes) to the sub-district and village level election officials in a timely manner, and avoiding any delays in the electoral process.

**Kabupaten Toli Toli (*Election scheduled for July 14, 2005*)**

**PBHR**, a Palu-based organization with extensive experience in election observation with UNDP, is conducting a voter education and peace campaign, and training election observers in nine sub-districts of Kabupaten Toli Toli. The goal of the program is to begin a process of good governance in the newly established district through increasing civil society awareness of, participation in and observation of the electoral process.

The program will help create critical opinions and active participation by civil society in all phases of the political process. By publicizing candidates' platforms through radio talk shows that directly involve candidates, citizens, KPU and Panwasda, PBHR hopes to cultivate a political environment wherein politicians are held accountable to the public.